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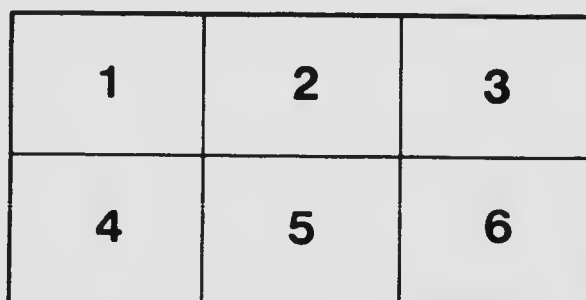
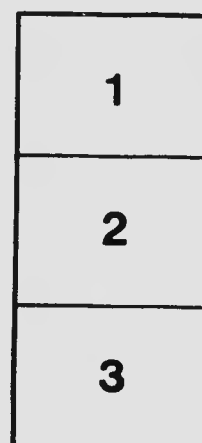
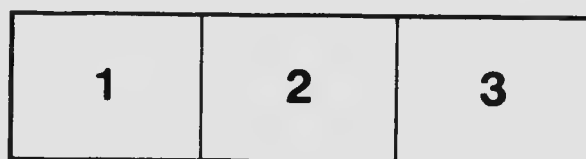
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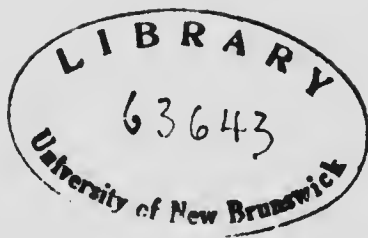
THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORTS

1908 - 1914

VOLUME III.

TORONTO
1914



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OF THE THIRD VOLUME

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"	"	" 30th	"	1912
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ILLUSTRATIONS
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Winnipeg
Calgary, Alta.—First Street West Branch
Charlottetown, P. E. I.
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Coaticook, Que.
Crossfield, Alta.
Danville, Que.
Forest, Ont.
Fort Frances, Ont.
Fort William, Ont.
Kingston, Ont.
Lethbridge, Alta.
Montreal, Que.
Nelson, B. C.
New Westminster, B. C.
North Battleford, Sask.
Ormstown, Que.
Penticton, B. C.
Radville, Sask.
Red Deer, Alta.
Regina, Sask.
Rock Island, Que.
St. Catharines, Ont.
Sherbrooke, Que.
Stratford, Ont.
Strathcona, Alta.
Taber, Alta.
Toronto, Ont.—Archives Building
Toronto, Ont.—Market Branch
Truro, N. S.
Vancouver, B. C.—Kitsilano Branch
Yorkton, Sask.



CALGARY, ALTA
First Street West Branch



THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1907



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP	- - - - -	\$10,000,000
REST	- - - - -	5,000,000

DIRECTORS:

B. E. WALKER, Esq.	- - - - -	PRESIDENT
ROBERT KILGOUR, Esq.	- - - - -	VICE-PRESIDENT
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		HON. L. MELVIN JONES
		FREDERIC NICHOLLS, Esq.
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		Z. A. LASH, Esq., K.C.
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OF COMMERCE

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ALEXANDER LAIRD - - - - - GENERAL MANAGER

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

V. C. BROWN, Chief Inspector

T. F. ASPDEN

J. P. BELL

WM. HOGG

Assistant Inspectors

A. ST. L. TRIGGE, Secretary

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BRITISH COLUMBIA AND YUKON—

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CRESTON	P. B. FOWLER	Act. Mgr.
DAWSON	D. M. SANSON	Manager
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LADYSMITH	L. M. DeGEX	"
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NANAIMO	E. H. BIRD	"
NELSON	J. L. BUCHAN	"
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PENTICTON	J. J. HUNTER	"
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Do. SOUTH	E. W. CARR HILTON	"
VICTORIA	G. GILLESPIE	"
WHITE HORSE	D. ROSS	"

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BRANDON, MAN.	A. MAYBEE	"
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CARMAN, MAN.	D. McLENNAN	"
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DRINKWATER, SASK.	H. H. LOWE	"
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EDMONTON, ALTA.	T. M. TURNBULL	"
ELGIN, MAN.	H. B. HAINES	"
ELKHORN, MAN.	R. H. BROTHERHOOD	"
GILBERT PLAINS, MAN.	E. J. MEEK	"
GLEICHEN, ALTA.	W. R. McKIE	"
GRANDVIEW, MAN.	A. B. STENNETT	"
GRANUM, ALTA.	THOMAS ANDREWS	"
HARDISTY, ALTA.	L. A. S. DACK	"
HIGH RIVER, ALTA.	C. R. W. POOLEY	"
HUMBOLDT, SASK.	F. C. WRIGHT	"
INNISFAIL, ALTA.	WM. HILBORN	"
INNISFREE, ALTA.	W. P. PERKINS	"
KAMSACK, SASK.	G. G. BOURNE	"
KENVILLE, MAN.	F. J. MACCOUN	"

BRANCHES—Continued

KINISTINO, SASK.	E. R. JARVIS	Manager
LANGHAM, SASK.	W. J. SAVAGE	"
LANIGAN, SASK.	P. J. TURNER	"
LASHBURN, SASK.	B. P. ALLEY	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LLOYDMINSTER, SASK.	S. M. DALY	"
MACLEOD, ALTA.	W. G. LYNCH	"
MEDICINE HAT, ALTA.	F. L. CRAWFORD	"
MELFORT, SASK.	E. R. JARVIS	"
MOOSEJAW, SASK.	E. M. SAUNDERS	"
MOOSOMIN, SASK.	D. I. FOREES	"
NANTON, ALTA.	C. F. A. GREGORY	"
NEEPAWA, MAN.	C. BALLARD	"
NOKOMIS, SASK.	K. W. REIKIE	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
PINCHER CREEK, ALTA.	A. W. LARMOUR	"
PONOKA, ALTA.	A. F. TURNER	Act. Mgr.
PORTAGE LA PRAIRIE, MAN.	A. L. HAMILTON	Manager
PRINCE ALBERT, SASK.	E. G. SHANNON	"
RADISSON, SASK.	C. DICKINSON	"
RED DEER, ALTA.	W. L. GIESON	"
REGINA, SASK.	H. F. MYTTON	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
STAVELY, ALTA.	THOMAS ANDREWS	"
STONY PLAIN, ALTA.	A. M. BROWN	"
STRATHCONA, ALTA.	G. W. MARRIOTT	"
SWAN RIVER, MAN.	F. J. MACOUN	"
TREHERNE, MAN.	J. S. MUNRO	"
VEGREVILLE, ALTA.	W. P. PERKINS	"
VERMILION, ALTA.	H. M. STEWART	"
VONDA, SASK.	J. C. KENNEDY	"
WADENA, SASK.	A. L. JENSEN	Act. Mgr.
WATSON, SASK.	HENRY KERR	Manager
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	J. D. BELL	"
WINNIPEG, MAN.	JOHN AIRD	"
	R. A. RUMSEY	Asst. Mgr.
Do. ALEXANDER AVE.	A. S. HOUSTON	Manager
Do. BLAKE ST.	A. B. IRVINE	"
Do. ELMWOOD	A. S. SWINFORD	"
Do. FORT ROUGE	H. L. WETHEY	"
Do. NORTH	H. W. TRENHOLME	"
Do. NORWOOD		"
Do. PORTAGE AVE.	G. M. PATTERSON	"
Do. ROSS AVE.	A. B. IRVINE	"
YELLOWGRASS, SASK.	C. HENSLEY	"
ONTARIO AND QUEBEC—		
AYR	H. M. LAY	Manager
BARRIE	H. J. GRASETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENNHEIM	W. H. LUGSDIN	"

BRANCHES—Continued

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CAYUGA	J. L. BARNUM	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	C. D. NEVILL	"
DRESDEN	J. McE. MURRAY	"
DUNDAS	F. C. G. MINTY	"
DUNNVILLE	R. T. MUSSEN	"
FORT FRANCES	F. M. GIBSON	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	R. S. WILLIAMS	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
KINGSTON	P. C. STEVENSON	"
LATCHFORD	W. H. COLLINS	"
LINDSAY	W. C. T. MORSON	"
LONDON	JEFFERY HALE	"
MONTREAL	{	"
Do. DE LORIMIER	C. D. MACKINTOSH	Asst. Mgr.
Do. WEST END	H. G. PANGMAN	Act. Mgr.
ORANGEVILLE	H. B. PARSONS	Manager
OTTAWA	E. C. COMPLIN	"
Do. BANK STREET	ROBERT GILL	"
PARIS	C. R. ARMSTRONG	"
PARKHILL	R. C. MACPHERSON	"
PARRY SOUND	T. L. ROGERS	"
PETERBORO	E. M. LOCKIE	"
PORT ARTHUR	D. HUGHES CHARLES	"
PORT PERRY	A. W. ROBERTS	"
QUEBEC	A. G. VERCHERE	"
RAINY RIVER	W. H. DUNSPORD	"
ST. CATHARINES	H. W. GRAHAM	"
SARNIA	R. G. W. CONOLLY	"
SAULT STE. MARIE	A. D. McLEAN	"
SEAFORTH	GEORGE WILLIAMS	"
SIMCOE	G. E. PARKES	"
STRATFORD	W. C. J. KING	"
STRATHROY	WM. MAYNARD	"
TORONTO	L. H. DAMPIER	"
Do. BLOOR AND YONGE	M. MORRIS	"
Do. MARKET	{	"
Do. PARKDALE	C. CAMBIE	Asst. Mgr.
Do. PARLIAMENT ST.	JAMES BRYDON	Manager
Do. QUEEN AND BATHURST	T. A. CHISHOLM	"
Do. QUEEN EAST	W. A. COOKE	"
Do. SPADINA AND COLLEGE	A. H. CREASE	"
Do. YONGE AND COLLEGE	E. M. PLAYTER	"
Do. YONGE AND QUEEN	J. M. HEDLEY	"
TORONTO JUNCTION	H. F. D. SEWELL	"
WALKERTON	G. C. T. PEMBERTON	"
	GEO. LYDE	"
	G. A. HOLLAND	"

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WALKERVILLE	A. W. RIDOUT	Manager
WATERLOO	J. MOORMAN	"
WIARTON	J. J. ACRES	"
WINDSOR	E. P. GOWER	"
WINGHAM	A. E. SMITH	"
WOODSTOCK	F. CROSSLEY	"

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AMHERST	J. H. MORRISON	Manager
ANTIGONISH	J. H. McQUAID	"
BARRINGTON	F. W. HOMER	"
BRIDGEWATER	H. C. DUNCAN	"
CHARLOTTETOWN	J. M. DAVISON	"
HALIFAX	D. MACGILLIVRAY	"
MIDDLETON	C. W. MONTGOMERY	"
MONTAGUE	J. C. E. CHADWICK	"
NEW GLASGOW	B. DEVEBER	"
PARRSBORO	A. E. CURRIE	"
ST. JOHN	P. B. FRANCIS	"
SHELBURNE	T. W. MAGEE	"
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SUMMERSIDE	H. A. HOLMES	"
SYDNEY	E. B. IRELAND	"
TRURO	S. N. MOFFAT	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	{ Wm. GRAY H. B. WALKER }	Agents
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO	{ A. KAINS G. W. B. HEATHCOTE }	Asst. Mgr.
Do. VAN NESS AND EDDY	A. KAINS	Manager
SEATTLE	G. V. HOLT	"
SKAGWAY	W. T. WHITE	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.

S. CAMERON ALEXANDER	Manager
ADAM STODART }	Asst. Managers
H. V. P. JONES }	

BANKERS AND CHIEF CORRESPONDENTS.

GREAT BRITAIN—

The Bank of England; The Bank of Scotland; Lloyds Bank Limited; The Union of London and Smiths Bank, Limited.

UNITED STATES—

NEW YORK—The American Exchange National Bank, The Fourth National Bank; ALBANY—The New York State National Bank; BOSTON—The Bank of Nova Scotia, The National Shawmut Bank; BUFFALO—The Bank of Buffalo; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The First National Bank; DENVER—The First National Bank; DETROIT—The People's State Bank, The Commercial National Bank; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; SALT LAKE CITY—The Deseret National Bank; SPOKANE—The Traders National Bank; TACOMA—The Bank of California.

FRANCE—

Crédit Lyonnais, Paris; Messrs. Lazard Frères & Cie., Paris.

GERMANY—

Deutsche Bank.

HOLLAND—

Disconto Maatschappij, Rotterdam.

BELGIUM—

Messrs. J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.

SWITZERLAND—

Banque Fédérale, Zurich.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking Corporation.

SOUTH AFRICA—

Standard Bank of South Africa, Limited; Bank of Africa, Limited.

AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Limited; Bank of Australasia; National Bank of Australasia, Limited.

HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

SOUTH AMERICA—

British Bank of South America, Limited; London and Brazilian Bank, Limited; Anglo-South American Bank Limited.

MEXICO—

Banco de Londres y Mexico.

WEST INDIES—

Bank of Nova Scotia, Kingston, Jamaica; Colonial Bank and Branches; National Bank of Cuba, Havana, Cuba.

BERMUDA—

Bank of Bermuda, Limited, Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1907

LIABILITIES

Notes of the Bank in circulation	\$ 9,235,769 68
Deposits not bearing interest	\$20,951,271 35
Deposits bearing interest, including interest accrued to date.....	66,089,786 15
	87,041,057 50
Balances due to other Banks in Canada	155,499 78
Balances due to other Banks in foreign countries ..	1,373,791 12
Dividends unpaid	1,508 44
Dividend No. 83, payable 1st December	200,000 00
Capital paid up.....	\$10,000,000 00
Reserve.....	5,000,000 00
Balance of Profit and Loss Account carried forward.....	675,912 10
	15,675,912 10
	\$113,683,538 62

ASSETS

Coin and Bullion	\$5,663,047 48
Dominion Notes	5,390,372 25
	\$11,053,419 73
Deposit with Dominion Government for security of Note circulation.....	450,000 00
Notes of and Cheques on other Banks	3,730,479 42
Balances due by other Banks in Canada	9,362 52
Balances due by Agents of the Bank in the United Kingdom	51,121 88
Balances due by Agents of the Bank and other Banks in foreign countries	2,873,820 77
Government Bonds, Municipal and other Securities.....	4,874,681 86
Call and Short Loans	12,695,877 30
	\$35,743,443 48
Other Current Loans and Discounts	76,073,271 90
Overdue Debts (loss fully provided for).....	109,867 32
Real Estate (other than Bank Premises)	64,082 58
Mortgages.....	34,248 58
Bank Premises.....	1,412,935 26
Other Assets.....	245,689 50
	\$113,683,538 62

ALEX. LAIRD,
General Manager.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 14TH JANUARY, 1908.

The forty-first Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 14th January, 1908, at 12 o'clock.

Among those present were :—

William Thoburn, Almonte; John A. Bruce, Hamilton; Thomas Gilmour, W. Glenney, Oshawa; M. Sparkhall, William Davidson, C. M. Gipton, St. Catharines; Mrs. E. J. Gipton, St. Catharines; George Murray, Toronto Junction; William Cook, Carrville; J. H. Carri-
goue, J. M. Davison, Charlottetown; J. L. Blaikie, R. C. Carlyle, W. G. Carlyle, C. Cambie, R. Harmer, Thomas Walmsley, Hon. Geo. A. Cox, Matthew Leggat, Hamilton; James Crathern, Montreal; Hon. W. C. Edwards, Ottawa; W. A. Murray, Montreal; A. Kingman, Montreal; J. W. Flavelle, A. J. Glazebrook, C. S. Gzowski, Hon. L. Melvin Jones, John Hoskin, K.C., LL.D., W. L. Gibson, Red Deer; F. H. Gooch, Henry Beatty, G. A. Morrow, E. R. Wood, W. Prendergast, J. S. McMaster, R. Kilgour, D. Hughes Charles, Peterboro; H. F. Mytton, Regina; J. M. Hedley, P. G. Van Vleet, G. A. Somerville, W. H. Lockhart Gordon, W. Casseis, A. W. Anglin, Rev. Dr. Somerville, A. J. Helliwell, J. L. Watt, J. E. Atkinson,

W. H. Smith, F. J. D. Smith, Newtonbrook; J. A. Morton, Major Keefer, Edward Gurney, T. A. Russell, Richard Brown, M. J. Taylor, W. E. Rundle, David Smith, A. H. Campbell, J. O. Thorn, J. S. Lovell, William Mackenzie, Rev. J. H. Paterson, Frederick Wyld, M. Morris, S. R. Wickett, William Craig, J. Belcher, Peterboro; W. T. White, S. M. Wickett, A. A. Wilson, Fort William; H. S. Holcroft, Orillia; A. E. Ferrie.

The President, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. C. S. Gzowski and A. J. Glazebrook were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:—

REPORT.

The Directors beg to present to the Shareholders the forty-first Annual Report, covering the year ending 30th November, 1907, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward from last year was \$	103,562 43
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,752,349 67
	\$1,855,912 10

Which has been appropriated as follows:—

Dividends Nos. 80, 81, 82 and 83, at Eight per cent. per annum.....	\$ 800,000 00
Written off Bank Premises.....	350,000 00
Transferred to Pension Fund (annual contribution).....	30,000 00
Balance carried forward.....	675,912 10
	\$1,855,912 10

All the assets of the Bank have been, as usual, carefully revalued and all bad and doubtful debts amply provided for.

Your Directors have the pleasure of reporting the most satisfactory earnings in the history of the Bank, amounting to \$1,752,349.67. After providing for four quarterly dividends at the rate of eight per cent. per annum and for the annual contribution to the Pension Fund, we have been able to write \$350,000 off Bank Premises Account and have carried forward at the credit of Profit and Loss Account the sum of \$675,912.10.

During the year the Bank has opened new branches at the following points: in British Columbia, at Creston, Mission City and Prince Rupert; in Alberta, at Hardisty; in Saskatchewan, at Drinkwater, Lanigan and Nokomis; in Manitoba, at Durban and Kenville. The branch at Atlin, B.C., has been closed.

In accordance with our customary practice, the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office, have all been thoroughly inspected during the year.

The Directors have again pleasure in recording their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER,

President.

TORONTO, 14th January, 1908.

The General Manager then spoke as follows:—

GENERAL MANAGER'S ADDRESS

We have come to the close of a year unprecedented in the history of financial stringency, and as it was world-wide in effect we in Canada have not escaped from the results of our own great expansion in trade, and the inevitable contraction of credit which comes as a check in the midst of prosperity throughout the country. Notwithstanding the unfavourable events of the year, the statements of the Bank which we have pleasure in submitting are the best in its history. It is needless to say that with the present outlook we must again repeat the warning to you not to expect a repetition of such large profits. The check upon the volume of business has been later in coming than some of us expected, but it has now actually come, and with a disposition on the part of the public towards the liquidation rather than the creation of debt, the volume of banking business must decline and profits be correspondingly affected.

The net profits for the year amount to over 17½ per cent. on the capital of the Bank and exceed those of last year by \$11,224. We have during the year paid four quarterly dividends of 2 per cent., or at the rate of 8 per cent. per annum, and after devoting the large sum of \$350,000 to expenditures on Bank Premises, and making the usual provision for the Pension Fund, we have carried forward a balance of \$675,912.10 at credit of Profit and Loss Account. Now that the Rest of the Bank equals the sum of fifty per cent. of the paid-up capital, our recommendation will be that transfers to that account be made in even millions and that in the meantime the unappropriated profits should be carried forward at the credit of Profit and Loss Account.

Our deposits during the year show a small decrease, namely, \$111,000. The decrease is altogether in deposits not bearing interest, which are composed of the fluctuating



CHARLOTTETOWN, P.E.I.



balances of various business communities and are therefore in the nature of things subject to rapid changes. A year ago we pointed out that some of the deposits then held were of a temporary character, and we deem it proper to say that at the close of this year also a considerable amount came under this category. In common with other banking institutions, a real shrinkage of deposits will probably result through withdrawals of money which but for the present emergencies of trade would remain with us. On the other hand our deposits bearing interest, being those of a more stable character, have increased during the year \$1,564,000.

The administration of the affairs of the Bank during the past year was fraught with unusual difficulties, but we look forward with the confident expectation that with our organization we shall be able to conserve and maintain a high standard of efficiency in the management of the great interests committed to our care.

In moving the adoption of the Report, the President said:—

PRESIDENT'S ADDRESS

At the end of a very eventful year in the financial world it cannot be truthfully said that any business man in Canada was without warning, even if he found himself quite unprepared for the new conditions he was called upon to face. Nor can it be truthfully said that the banks as a whole have failed to do as much for the borrowing public as the latter had a right to expect. Indeed, when we consider the rash and ignorant criticism of the banks heard in communities where the stringency in money has been most keenly felt, it seems almost as if it were useless to offer a signal of danger to the borrowing public so long as prosperity is in full force. A year ago this bank did its part in offering a warning which events have shown to be justified, but this warning was actually regarded as an evidence of total inability to under-

stand the true business conditions in the West. Canada was doing more business than was justified by the money at our command at home or that could be secured abroad by the sale of the securities the country was creating, although it was not producing even sufficient merchandise to meet the demand or building to any degree in advance of immediate requirements. We were, however, importing far in excess of our exports, and, generally, we were mortgaging our future, not, as a rule, in the case of each individual, municipality, industrial company or railway, beyond what could be plainly justified if money were easy, but beyond what was wise, having regard to the world-wide condition of the money market which has been so marked in recent years. Now that the check upon our expansion, which we would not make of our own accord, has, in a measure, been forced upon us, we shall doubtless rapidly adjust our affairs to the new conditions, and I shall be surprised if we do not eventually conclude that as a borrowing country we have escaped the more serious troubles of our neighbours, have not failed to sustain the high credit Canada enjoys in Great Britain and elsewhere in Europe, and that the banks, even if no more free from blame than other members of the business community, have really done all that could fairly be demanded.

While Canadians have taken a natural pride in the great growth of their foreign trade, which has increased from \$257,168,000 in 1897 to \$617,944,000 in 1907, some remark has seemed necessary each year upon the large excess in our imports. For the year ending midsummer 1906 the two had so approximated that the excess of imports was only \$37,680,000 in a foreign trade of \$550,854,000, but for the year ending midsummer 1907 we have an excess in imports of \$101,601,000, our exports being but little larger than for the previous year, while our imports are about \$65,000,000 more. The first three months following

mid-summer 1907, showed no tendency towards improvement. We cannot build a third transcontinental railroad in addition to providing for the large growth of older railroad systems; we cannot take care of an enormous and unprecedented inflow of immigrants; and we cannot build up new towns and cities by the hundred, without largely increasing our purchases as compared with what we have to sell. This is what we mean by mortgaging our future. After we make allowance for the wealth brought in by the immigrants themselves and by the many men with capital who come, mainly from the United States, to establish industries or to become merchants or important farmers, the total of which must be very large indeed, the greater part of the sum required to liquidate this excess of imports must be obtained from the sale of our securities abroad. The railroad corporations provide their share and generally in advance of its expenditure, but our towns and cities have of late years sold their bonds so readily that they have not hesitated to spend money in very large sums on improvements, the bonds for which can not as a rule be legally issued until the work is completed. At the same time many industrial companies have been spending money and depending on foreign markets for the sale of securities with which to replace the capital required for such expenditures. In ordinary times such a course would not seriously inconvenience Canadian finances, but coming in a year when the balance against us was so large, our crops below the normal, and the money markets of the world in the worst possible condition for all borrowing countries, it would have been strange if we had not experienced considerable discomfort. We can, however, congratulate ourselves on the soundness of our business conditions apart from the lack of capital, and this has enabled Canadian enterprises to obtain money in European markets on easier terms than many other countries. The course we should follow in the

immediate future seems plain. In all cases where important expenditure for public or private works is contemplated we must be assured as to securing the capital before undertaking the work, and this doubtless means that we must go more slowly for a few years. Whether we like the discipline or not, the results will certainly be good for Canada in many ways.

The scarcity of money arises from various causes. Roughly speaking, if one man wishes to borrow, another man must have saved in a shape ready for investment. If the world is in a debt-paying and therefore also a saving mood, it will set aside annually more savings than are needed; and if the world's trade is expanding and profitable, and extravagance is therefore general, the reverse will be the case. One great French economist has endeavoured to state the conditions of the world as they existed in 1906. He estimates the capital needed that year for new commitments as \$3,250,000,000, and the world's savings available for investment at not more than \$2,400,000,000 to \$2,800,000,000. There was therefore an enormous deficiency, and however near this may be to the actual facts, it illustrates in a forcible way what the world is trying to do, and why interest rates have risen and the prices of all securities, no matter how excellent, have fallen. When we look at ordinary commercial banking operations connected with the production and movement of commodities, we must realize that as against an increased gold supply and the increased credit made possible thereby, there have been two factors tending to enlarge the load of credit to be carried. First, a great increase in the quantity or number of articles of merchandise to be carried, and, second, a great increase in the price of almost all articles. Clearly the world has gone too far in the one direction, and now we must look for a mood of economy, in consequence of which personal extravagance will decline and savings increase, and the



COOKSHIRE, QUE.

pace of the world's building operations and trade movement will somewhat lessen. This will probably be accompanied by a fall in wages, however regrettable, and by a fall in prices generally, although the steady increase in the gold output of the world and the power of certain great industrial organizations may be opposing factors to any large and permanent decline.

THE MARITIME PROVINCES

These provinces have had another year of the quiet but steady-going prosperity which characterizes this part of Canada, and but for the effect on their lumber market of the check to building operations in Great Britain and the United States the results of the year would have been quite satisfactory. The unusually severe winter which was general throughout Canada was followed in these provinces by a backward spring and a more or less wet and unsettled summer; but although in New Brunswick and some few localities in Nova Scotia this was hurtful, the crops were excellent in Nova Scotia and Prince Edward Island generally, and owing to the prevailing high prices the farmer has had an unusually good year. The result of enquiries from 140 correspondents in Nova Scotia shows that, taking 100 as the average crop and considering four kinds of cereals, two kinds of roots, and hay and apples, the yield for all but hay, which was 90, ranged from 95 to 110. The results from the dairy have been somewhat larger and with better prices than for the previous year, and the sales of eggs, of cattle and other animals exceed those of recent years. The price for apples, one of the most important crops in Nova Scotia, is higher than last year, but there has been such a shortage of car supply that warehouses are full, and buyers are not willing to pay cash to farmers under such circumstances. The total crop for this province is estimated at 800,000 barrels, valued at \$2,000,000.

The year has been profitable to the fishermen, the catch including lobsters being about 25 per cent. higher than last year, and the total money result to Nova Scotia \$7,000,000 or more. Lobsters are not as plentiful or as large as formerly, and mackerel are less numerous than last year, but inshore cod have been caught in larger quantities and are handled and sold fresh under steadily improving conditions. As a whole the fish trade, so important to the Maritime Provinces, is in a healthy condition, with a good outlook for the future.

The lumber business, which is not one of the most important industries in Nova Scotia, although it is in New Brunswick, had a favourable season for manufacturing; but as sales depend mainly on conditions in other countries it is not surprising to learn that the markets in Great Britain for deals and in the United States for hemlock declined because of decrease in building operations and large stocks on hand, so that some home stocks are held over, while many sales have been made at a loss, or at least without profit. There is quite a large supply of last year's logs unsawn, and the cut for the present winter will be not more than 50 per cent. of that of last year. As the Norwegian and Russian cuts are also being lessened, the market should return to normal conditions very soon; indeed, some improvement is already evident.

It is too early to obtain the figures of the output of coal for the season, but owing to a prolonged strike at one mining centre, to shorter working hours in some mines and to other causes, the quantity mined was somewhat less than for the previous year, instead of showing the usual increase of 10 to 15 per cent. There is also a large shortage in the St. Lawrence shipments owing to the late opening of navigation. There was an excellent demand at good prices, and except where

mines are working on old contracts made at low rates, profits should be quite satisfactory.

The various manufacturing establishments, especially those of national importance, have been busily employed and have in many cases exceeded the high record of the previous year. The steel companies have had an excellent year. In the case of the younger and larger company there has been an improvement over the satisfactory previous year in output in proportion to plant, in quality and in profits, not having regard to the outstanding dispute over the price of coal. The companies have orders ahead sufficient to warrant the hope that they will not in the near future fall off seriously in production or be forced to lower their prices materially. It is to be borne in mind that there are as yet no sources in Canada from which an adequate supply of pig-iron, for the use of the ordinary manufacturer who works in iron, can be obtained, although new works have been established at Port Arthur in Ontario, which should materially increase the supply.

Time will, of course, remedy this, but it may be well to consider what we may hope to accomplish in the not very distant future. In steel and iron in shape to be more or less the raw material of articles to be manufactured in Canada, such as pig-iron, scrap-iron, steel ingots, bars, skelp and also sheet-iron and wire, we imported in 1906 \$7,358,000, and in 1907 \$12,326,000. We should surely hope to make all or almost all of this material in Canada very soon. We imported in structural steel and in rails in 1906 \$5,479,000, and in 1907 \$7,892,000, and this we should soon make mainly or altogether at home. In machinery and other manufactures of steel and iron we imported in 1906 \$16,710,000, in 1907 \$21,675,000. Some of these articles we may make before long, but it is not so much in complicated manufactures that we need to succeed early as in staple materials which enter

largely into the goods we are already able to make, or might naturally hope to make, at home. The total of the above-mentioned imports of steel and iron in various forms is rather striking: in 1906 \$29,547,000, in 1907 \$41,893,000.

ONTARIO AND QUEBEC

Agricultural conditions in the different parts of Ontario and Quebec have rarely been so varied and so difficult to describe in the few words at our disposal. The late spring, unfortunately general throughout Canada and indeed throughout a large part of the world, was followed in these provinces by unusually dry weather, and doubts existed at one time or another regarding almost all crops. In the end results were very varied, even in the same districts, and, of course, the yield as a whole is much smaller than usual. But in one respect all farmers have benefited alike—the prices of everything produced on the farm have been higher than in the previous year. This factor, as far as many parts of Ontario are concerned, has caused the money result to be not very different from other years. Wheat, no longer a very important crop relatively in these provinces, was quite satisfactory in yield in some parts, but as a rule considerably below the average. Oats, usually reliable, were, because of drought, blight and other causes, a remarkably poor crop. Hay, generally the most valuable crop in Quebec and very important in Ontario, was very variable in both provinces, because of many features connected with the late spring and lack of rain, and as a whole the yield was unsatisfactory. Where any fair percentage of a normal crop was gathered, high prices have helped the farmer materially in the money result, in many cases leaving him as well off as in other years.

Those who sold cattle and hogs early did well, but financial conditions in the United States and lower

returns from Europe have caused a sharp drop in the prices of both, and those who did not sell are unfortunate for two reasons—they must either hold until spring and pay unusually high prices for feed, or do as many are doing, sell stock at low prices, whether ready for market or not. It is in the dairy department, however, that the effect of the lean pastures shows most clearly. Last year we had to note record results in money from the exports of cheese and butter combined, namely, \$26,000,000. This year the total only slightly exceeds \$20,000,000, and the loss is mainly in butter. The quantity of cheese is somewhat less than in any year since 1901, but the average price obtained was phenomenally high, and the result in money was only about nine per cent. below 1906. But in butter, what with the actual shortage in make and an extraordinary consumption at home, the exports from Montreal, which for the previous nine years had averaged 413,429 packages, with an average value of \$5,537,403, actually fell to 66,773 packages with a value of \$942,000. Although a high price for butter ruled during the year, it is clear that it paid the farmer better to make cheese, and thus almost all the shortage is shown in the one article. It is also to be remembered that the quantity of butter available for export is always small relatively to the total production, so that in a year of lessened production and increased home consumption it is not strange that the surplus has nearly disappeared.

The crop of apples has been variable in quantity, with good prices, and as a whole the results are quite satisfactory. The exports from Montreal were 626,000 barrels, against an average of 362,000 barrels for the preceding seven years.

Without referring to other aspects of farming, grazing and dairying, it is plain that we have had an off year, which surprises us because of the many years of

unusual prosperity enjoyed by the farmers of this part of Canada. But still the year, because of high prices prevailing in almost every article and good yields in some crops, has left our farmers in many parts of Ontario with little cause for complaint. As a rule, collections from farmers and others have been well maintained, even exceeding other years in some districts.

Until the financial stringency began to have some effect, no diminution in the output of manufactories was visible; indeed, they were doubtless never so busy before. The only evident checks upon the output were difficulty in obtaining labour and raw material, and shortage in car supply. For these reasons most manufacturers were continuously behind in their deliveries, and the refusal of orders because of inability to make more goods was a frequent occurrence. The banker has for some time past been urging a curtailment of output because of world-wide money conditions, and clearly this will now take place. We have not, however, been witnessing an overproduction of goods, indeed, part of the large increase in our imports has been clearly due to the inability of our own manufacturers to cope with the demands of the buyers. With the rapid settlement of our West and with normal crops our purchasing power will, we hope, remain sufficient to keep our manufacturing establishments well employed.

Building in towns and cities throughout Ontario and Quebec was already showing signs of a check, because of the high prices of material and labour, and this tendency has now been sharply accentuated by the tightness in money. Although dwelling-houses are hard to obtain in almost every growing town, any abatement in the volume of capital being fixed in either private or public improvements must be welcome at present.

Until the effect of dear money in the United States began to be felt, the demand for our lumber was strong and

prices were higher even than for the previous year. For the moment there are few buyers, but sellers are not inclined to lower prices materially. The money market and other conditions will cause most operators to lessen their cut this winter, and the Ontario and Quebec lumbermen, who are near the great markets of consumption in the United States, do not anticipate much trouble in marketing their next season's product. Foreign markets are, however, uncertain, and the future is not as clear as in recent years. A fall in wages has already taken place, and in other elements of cost in lumbering there will doubtless be a reduction in consequence of the restriction of output and the stringency in money.

In mining, the Cobalt district is likely to give Canada a definite rank among the silver-producing countries. Of course, the bulk of the world's silver is produced by Mexico and the United States, and we cannot hope to reach the rank of these countries. We hold now, however, the fifth place among the silver-producing countries, and a little further development might easily put us in the third or fourth position. The product for 1907 from the Cobalt district is valued at about \$6,000,000, against about \$5,500,000 altogether for the years 1904-5-6, that is, since the foundation of the camp. Satisfactory development work continues, and many of the mines are working lower levels with success. Much excellent machinery is being installed and very substantial buildings are being erected. Indeed, the camp appears to have settled down to legitimate mining on a comparatively large scale. We have not as yet the figures for 1907, but the total value of minerals of all kinds, metallic and non-metallic, produced in Canada in 1906, was about \$80,000,000, a very considerable advance over previous years.

MANITOBA SASKATCHEWAN AND ALBERTA

So much has been written and said about the crop conditions of the Prairie Provinces, and these con-

ditions have varied so greatly in different districts and have changed so rapidly from time to time, that it is a relief and a pleasure to be able to report that the money result from all cereals will certainly be about \$85,000,000, and will perhaps equal the result from the crop of 1906. Of course this is due to the high price set against the much smaller quantity and the great loss in grades due to frost. Had the season been a normal one and had prices, which are not appreciably affected by our crop, remained high, our western farmers would have enjoyed a prosperity exceeding anything they have known. Apart from the difficulties of transporting and financing the grain, the unfortunate feature of the crop has been that the results fall so unevenly as to districts. In the main the fair results have been enjoyed by those districts which could have borne poor crops, while the most meagre results have often come to the newest districts. Our estimate of the crop of 1906, which has since been verified by the latest returns of the actual outcome, was 190,000,000 bushels of cereals, as compared with 167,000,000 for 1905. Our estimate for 1907 is 160,000,000, divided as follows :

Wheat.....	70,000,000 bushels.
Oats.....	75,000,000 "
Barley.....	15,000,000 "

With two years' increase of settlement this is not a good showing, but it is too slight a falling off to distress anyone living in the West. The average yield per acre is, of course, low : wheat 14 bushels, oats 33 and barley 25. About half of the wheat will grade as fit for milling—No. 4 or better. Oats suffered more from frost than wheat, and about two-thirds of the crop is of the lower grades.

After a winter of severity, greater than had been known for a quarter of a century, the farmers succeeded,



CROSSFIELD, ALTA.



although a month later than for many years, in sowing an acreage as large as that of 1906. The growing season in Saskatchewan and Alberta was all that could be desired, but in southern Manitoba the rainfall was quite insufficient; so that, barring frost, it seemed as if the two western Provinces would show excellent results and Manitoba would disappoint us. But frost came to the late-sown crops and did an amount of damage hardly recognized at the time, so that in the end Manitoba, where conditions had improved, and southern Alberta produced the best crops both in quality and quantity.

Apart from the peculiarities of the crop of 1907, the difficulties of marketing the crop have been so pronounced and have caused so much discussion in the newspapers, that it may be well to refer frankly to some of them. The farmers blame the grain dealers as to price, both farmers and dealers blame the railroads as to car supply and for the first time in the history of the North-West the banks have found it difficult, because of the many demands by borrowers, to release the money necessary to carry the grain to market. One might think from some recent criticisms that these difficulties had never been heard of before, whereas they have accompanied the marketing of grain and cotton in the United States, from time to time, through the entire history of its settlement. We have been proceeding upon the assumption that the railroads can carry to the point of lake navigation all the grain the farmers choose to market in the few weeks between threshing and the close of lake traffic, and that the banks can not only take care of this but also find the money for the entire balance of the crop as the farmer chooses to sell it during the winter, and await the liquidation of such advances in the late spring or early summer. Now we may as well recognize the fact that when the crop is materially larger both of these things will be impossible, even with an

ordinary money market. The grain and cotton crops of the United States have been moved largely by European credits, in addition to local loans, and this has been a sound system financially, because ultimately sufficient grain or cotton goes forward to Europe to liquidate such credits. Of late years in the United States dealers have been able to move the grain crops without much outside assistance, but not the cotton crop, and this is really because the point of consumption for most of the grain is now at home and not in Europe, while a great part of the cotton crop is still sold in Europe. We are a young country, with little accumulated capital relatively to our wants, and, like the United States of twenty or thirty years ago, we must use the credit of Europe to some extent for our grain carrying, redeeming such obligations as the grain goes forward.

Now, the reason why it has been feasible for the United States to borrow quite readily very large sums of money against grain in store, is because for the last thirty years or more everything possible has been done at such places as Chicago and Minneapolis to assure the lender that he had grain of a certain grade in the hands of a terminal warehouse, the owner or officers of which could have no object and, because of weighing and inspecting supervised by the State, no power to dispose of the grain except in accordance with the State-countersigned receipts. The banking and elevator interests of Winnipeg have been steadily endeavouring to improve the conditions surrounding terminal receipts in Canada, and the system at present in use will give any foreign as well as any domestic banker a most perfect form of security.

Winnipeg holds the second place in America in the volume of grain trading, and everything which can be done to make this great department of our commerce work satisfactorily should have the patient considera-

tion of all concerned. There seems to be little doubt that many of the provisions of the Dominion Act, known as the Manitoba Grain Act, are unsatisfactory to the farmers, the railway companies, the elevator companies and the banks. Designed originally, no doubt, to protect the farmer, it can be so made use of by dishonest people as to cause to others serious delays in transportation and losses in money, and in the final result it must hurt many more farmers than it benefits. So long as it is possible for hundreds of orders for single cars to be placed in the names of people who have actually no grain to ship, it cannot be also possible for the elevator companies to get cars to ship grain with reasonable promptitude, or to place the blame for lack of cars with any precision upon the railroad companies. It seems clear that the Act should be entirely reconsidered and amended before we enter upon another season.

In the cattle business the striking feature, of course, was the very heavy losses on the ranges caused by the severe winter. It will doubtless take two or three years for the stock of cattle, horses and sheep on the ranges to get back to a normal condition. Meantime prices are likely to be good, even though dear money and lack of cars may affect the situation for the moment. The fact that several shipments of Alberta cattle have been made to Chicago *via* Montana with highly satisfactory results, shows the natural widening of the market coincident with the decline in the supply. It is to be hoped that the farmers of the three provinces will now be firmly impressed with the wisdom of breeding cattle, horses, sheep and pigs to an extent not attempted heretofore. Not only does the lessening for the time being of the number of cattle on the ranges seem to assure the farmer of good prices for some time to come, but his experience with his grain crops in 1907 has proved once more that he can get the best value

out of damaged wheat and oats, and when prices happen to be low, out of any grain, by feeding it to his own stock. Wherever dairying has been developed this is abundantly clear, and we are glad to know that in many parts, particularly in Alberta, where mixed farming is more general, the farmer is able to use profitably on his own farm all his damaged grain crops.

It would also be well if the farmers of these provinces would consider the value of raising their own poultry. The money paid out by the farmer who grows grain alone, for many of the necessaries of life which he could produce on his own farm, such as butter, eggs, poultry and pork, may seem, when he is prosperous, a small matter; but prosperous or not the loss to his province is very serious, and sooner or later it may be serious to him individually.

So far as the payment of debts is concerned, collections are good or bad in accordance with local crop conditions, but better as a whole than might have been expected.

Naturally these lessened results from agricultural and pastoral work, accompanied by dear money, have caused a curtailment in building of every kind, and this again will, as in the East, result in a much smaller cut of lumber in all districts relying on the Prairie Provinces for their market. This is from several points of view highly desirable. The cost of production was reaching dangerous figures, even though justified by the market prices, and while curtailment of building is as imperatively necessary in Canada as elsewhere in the world if we are to get the money market into an easy condition again, it was inevitable if the high prices of labour and material continued.

While it is not practicable to ascertain now many new settlers entered the Prairie Provinces, the immigration into all Canada for 1907, with the last month or so

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COATICOOK, QUE

estimated, is about 280,000, of which about 210,000 are English-speaking people. This is a large gain over 1906 and whether immigration is now to be checked or not, the settlers of the last few years in the North-West will largely aid the future prosperity of Canada after they get through their first few years of pioneering. Land sales and homestead entries are, of course, somewhat less in number, but the average price for land sold is slightly higher than in 1906, and we must remember that if the opportunity for labour in other fields declines for a time throughout the war, many will, as in similar past experiences, go back to the land. Any decline in homesteading is partly due to the increasing difficulty of getting land near to railroads; indeed, it is surprising how far settlers are willing to go, counting upon the railroad coming to them in the near future. Prospectors are even going into the Peace River country, and before long it will be difficult to avoid opening it up for active settlement.

After several years of abundant crops, we have to record a year in which in several parts of the North-West the farmers' results are quite unsatisfactory, but as a whole the country will receive a very large sum for its products, and the general result to the three provinces will still represent prosperity although on a diminished scale. Expansion for the moment will be checked, extravagance in expenditure, even where there is no actual diminution of income, will be changed to economy, stocks of goods will be lessened instead of persistently increased, and generally we shall have a time of debt paying instead of debt creating.

BRITISH COLUMBIA

The year in British Columbia has been prosperous, and the most prominent industries of the province, while all more or less affected by the stringency in

money, are as full of promise as ever. The lumber business was impeded, first by a great difficulty in obtaining cars, and later by the general check to sales incident to the crop situation and the money market. This will, as elsewhere, largely lessen the cut of logs for the moment; but taking this into consideration, and having regard to the very large requirements which in any event must be supplied, stocks in the yards are not likely to remain excessive, and if the result is to bring down the cost of operations, the check will have been a benefit to the situation as a whole.

In coal mining we see enlargement of output and opening of new areas, not only in the coast and inland districts of British Columbia, but in the Prairie Provinces. For smelting, to operate railway trains, for domestic and power purposes and for export coal is wanted in an increasing quantity, and so long as capital is difficult to obtain it is not likely that production will run ahead of consumption, unless very temporarily.

Copper mining and smelting is now firmly established on a large scale as one of the great industries of the province, yet but a small part of the known area awaiting the advent of capital is being worked. At the recent high prices the business was very profitable, but the sensational drop in price has caused an adjustment of wages, which, because of the large profits, had been upon an unusually high scale. The great underlying fact, however, is that copper can be produced here at a profit even should most of the world's mines have to shut down. The smelting, coal-mining and railroad businesses are intimately connected, and have been growing so fast that they have shown a frequent tendency to get out of line through shortage of cars and coke supply, or strikes and general labour troubles. The volume of smelting should have greatly increased over

1906, but because of lack of coal supply and of cars it remained stationary.

Fruit growing and fruit-tree planting in anticipation of fruit growing a few years hence are making great strides in many parts of British Columbia, and vegetable growing and ordinary agriculture are showing a gratifying increase. The present volume of production is small, the future, however, must be large, and financial success, as we have said before, will depend on reasonably cheap labour.

The year in salmon fishing was bound, under the curious conditions of the Fraser river, to be a lean one, and the number of cases packed fell even slightly below 1903, the year with which it should be compared. In the northern rivers the fishing was very satisfactory and profitable; on the Fraser it was quite the reverse. Some of our packers have gone largely into the halibut business, but freight conditions need some adjustment before we can compete successfully with United States fish companies, who are making large catches under conditions which amount to trespassing on the rights of Canadians. The whole fish industry is of the greatest importance to the province, and it should receive from the Governments concerned the most serious and unbiassed consideration. There are points we need not enter upon here which, if adjusted, would ensure the permanence and growth of these fisheries. In addition to the two kinds of fish mentioned there are numerous others, and with a rapidly enlarging market in the Prairie Provinces it will only need capital, time and experienced management to make this industry one of the most important on the coast, provided always that the Government affords the necessary protection. The value of the total fisheries of Canada for the year 1906 was about \$26,000,000, and while the share of this coming from

the Pacific Coast was not very large there is no reason why, in time, it should not aid in materially increasing the total.

The most noticeable features in the development of the province during the past year have been the extensive purchases of timber-bearing lands, chiefly by Americans, in connection with which very large sums of money have been distributed to previous owners; the increase in the value of land and the rapid settlement for agricultural and fruit growing purposes of the Fraser river country, the Okanagan valley and other parts of the province; the enlargement of the output and the opening of new areas of coal; and the great growth of Vancouver and of many of the towns throughout the province. In population, building operations, bank clearings and custom house returns Vancouver shows an extraordinary growth, even when compared with other Canadian cities. Doubtless it will now submit to some check, in common with other places, and some sign of this is already apparent in the price of city real estate and in the trade outlook, but the future of the city as one of the most important in Canada seems assured.

UNITED STATES

In referring to Washington, Oregon and California, where in the chief city of each state we have a branch, it seems best to deal with the situation first without reference to the financial troubles of the past two or three months. So far as the products of the three states are concerned, another year of great added wealth has been experienced. In some directions results have not been as good as in the previous season, in others better, but as a whole the year has been distinctly prosperous. The only industry in which results have notably changed for the worse is lumber. In all three states there was during the winter of 1906-7 a shortage

of cars, causing almost a paralysis of the lumber trade, and this was followed early in the summer by a distinct falling off in orders, partly due to curtailed building in the East and to advanced freight rates, and partly to an over-supply of lumber in San Francisco. As a consequence prices have fallen sharply, and logging operations will, for the time being, be on a much smaller scale than usual. The price of logs has not fallen proportionately to that of lumber, and the value of stumpage not at all. Timber, as a rule, is in strong hands financially, and as the distance in time from the log to the mill as compared with eastern lumbering is quite short, the trade should rapidly adjust itself to new conditions.

The wheat crop in Washington and Oregon was the largest in the history of these states, and oats, barley and hay were up to and sometimes exceeding the average. Prices have, of course, been high, and the farmers, as the result of several prosperous years, are in excellent shape financially. The yield of hops was quite satisfactory, but prices have been too low to be profitable. The dairy business in Oregon grows rapidly, and the wool clip of California and Oregon was over 40,000,000 pounds.

In the fruit trade California has had an excellent year, the income from dried, canned and citrus fruits being \$70,000,000 to \$75,000,000. The Oregon fruit crop was considerably larger than for 1906, and Washington is also likely soon to rank as an important fruit-growing state. The Hawaiian sugar crop, handled to a considerable extent through San Francisco, was the largest in the history of the islands, although not much larger than the crops of 1905 and 1906. The total yield was 440,000 tons, while California produced beet-root sugar to the extent of 72,000 tons. The production in California of dry and sweet wines was larger than for the previous year—in all about 70,000,000

gallons. The yield in petroleum was 40,000,000 barrels, against 36,000,000 for the previous year, and the price has been so much higher that some of the large users of power are going back to coal.

The total product from the soil and the mine in California for 1907 was about \$360,000,000, a very large part of which is exported, so that, with a population of about one and a half millions, the state is assured of continued prosperity under almost any circumstances.

The catch of salmon, as in Canada, has been disappointing, but with a fair run of lower grades, which have not always been saleable in the past, but are easily saleable now. This year stocks are so low and prices so high that sales have been readily made, and the year has been fairly profitable. There is need in the United States as well as in Canada for strong and intelligent action by Government in order to save this great industry. If we have a few more years of the present reckless disregard of the future, we may lose forever a great source of wealth, which should be available for all time.

Notwithstanding a moderate falling off in the northern trade from Seattle and the sharp check in the lumber business at San Francisco, the shipping trade, both coast-wise and trans-Pacific, has been profitable and large in volume.

The income derived by these three states for several years past from their great crops of natural products, and in some parts from mines and from the trade with Alaska and the Yukon, has made them unusually rich, and conditions have been so entirely different from earlier periods of expansion that they felt, perhaps, too self-reliant regarding the expansion which was undoubtedly going on in all towns and cities. Apart from the peculiar conditions of San Francisco, it doubtless seemed to them that the improvements, public and

private, being made in every direction were quite warranted by their prosperity. That they should be involved, like every other part of the country, in the financial troubles starting in New York in October was inevitable, but it seems reasonable to argue that the check to their prosperity cannot last very long, unless nature fails to be as bountiful as in recent years. The check to building operations was as necessary here as elsewhere, having regard to the money markets of the world; and against the temporary decline in the volume of some trades there must be set the more wholesome range of prices and scale of expenditure generally, which we hope will be on a somewhat lower basis for many years to come.

Taking the United States as a whole, another great crop of cotton has been raised and is being sold at good prices, and while the grain crops of 1907 were slightly less than those of either 1905 or 1906, the result with the higher price is considerably greater to the farmer, so that the agricultural basis of the country has been well sustained. During the winter of 1906-7 the money markets of the United States had, however, repeatedly reflected the fact that the expansion in building, in trade volume and in prices, common to so many different countries, had outrun the world's supply of money, and in March a short stock exchange panic gave special emphasis to this condition. It became evident that the plans of great railroad systems, involving very large expenditures of money, could not readily be carried out; money became perceptibly dearer for long loans, and ordinary building operations were somewhat checked. Sober financial journals suggested that we were approaching a crisis, but during the summer much was forgotten. However, during the week beginning 21st October a decidedly critical situation arose in New York, due largely to the acts of some of the larger Trust companies,

which had apparently forgotten the principles on which such institutions should be based. The failure of one of the largest of these companies, and runs upon several others, created panicky conditions in New York, and this state of feeling rapidly spread throughout the country, causing timid individual depositors to withdraw money and lock it up, and, a still more serious matter, causing country banks to attempt to build up reserves, in some cases needlessly large, by drawing their balances from the reserve cities. Under the banking system of the United States, because of an inelastic currency, but quite as much because of the laws regarding reserves and the peculiar system under which they can only be used for the very purpose for which they are held at the expense of breaking the letter of the law and thereby creating a panic, the effect of this hoarding of currency was to paralyze business and cause on the one hand a premium on currency for a short time as high as $3\frac{1}{2}$ per cent., and on the other the creation of a temporary currency, illegal but eminently sensible, in order to enable the business of the country to go on. At the same time gold was imported from Europe to the extent of over \$100,000,000, and while this was an extraordinary evidence of ability to apply heroic remedies to the situation, the very fact that it was necessary and possible to obtain this very large sum from Europe naturally alarmed the money markets there, because it was a concrete example of the violent and enormous forces which American trade and finance can exercise upon Europe when the pendulum has been allowed to swing too far in one direction. The situation is now steadily improving, the gold importations and the premium on currency, have stopped and the reserves of banks are being brought back to the legal requirements. How far the enormous fall in the price of copper, and the more moderate fall in other metals and in lumber, will be followed by a general fall in the price of all com-

modities, it is too early to estimate. But as the wages of labour are being reduced and large numbers have been thrown out of employment, we must expect a moderate readjustment of prices. Food stuffs do not, however, because of another series of factors, show any tendency to decline in price.

The hope has been confidently expressed on many occasions since 1893 that the United States would bring about reforms in its currency and banking systems. Partly because the situation is full of difficulties not present in most countries nothing of a decisive nature has yet been accomplished, but the demand for reform from the public throughout the United States is more persistent than ever before, and we cannot doubt that with the recent experience sharply in mind steps will now actually be taken to remedy the defects referred to. It is well for all of us residing outside the United States not to forget that while stringency in money was inevitable owing to expansion, the extraordinary features which differentiate the monetary troubles of the United States from those of other countries are due almost entirely to their peculiar banking and treasury systems. In Canada we have an enforced revision of the Bank Act every ten years, and it is well to bear in mind that we are approaching the time when the discussion connected therewith usually takes place.

The situation bears little relation to that following the troubles of 1893, either as to currency conditions and standards, crop conditions, or volume of manufactured goods relatively to the demand, and, provided the usual crops are harvested next year, a very full measure of industrial activity should prevail throughout North America. The marketing of the actual products of the field, forest and mine of itself requires that large additions should be made to railroad equipment and that other building operations should be carried out, and if the world

generally can be induced on the one hand to exercise its power of saving to a greater degree, and on the other to moderate somewhat the pace of its industrial expansion, especially as regards the fixing of capital in betterments of all kinds, we need not fear for the prosperity of the farmer throughout North America or that our workshops will be idle to an extent which should interfere with a sound and reasonable prosperity.

The resolution for the adoption of the Report was then carried unanimously.

The Chairman : I have now to submit a resolution regarding a by-law authorizing an increase of the capital stock of the Bank. In asking you to pass this resolution we do not wish to convey the impression that at the present time we have any intention of issuing new stock. We merely desire to be prepared, so that in the event of our business making it at any time clear that it would be wise to issue any part of the sum we now ask you to authorize, we shall not be subject to the delay incident to calling a special meeting of the shareholders. The by-law reads as follows :

"WHEREAS the capital stock of The Canadian Bank of Commerce is now Ten Million Dollars, and it is expedient that the same should be increased by Five Million Dollars, be it therefore enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at an annual general meeting held in the Board Room of The Canadian Bank of Commerce, at the corner of King and Jordan Streets, Toronto, on Tuesday, the fourteenth day of January, 1908, that the capital stock of The Canadian Bank of Commerce be and the same is hereby increased by the sum of Five Million Dollars, divided into one hundred thousand shares of Fifty Dollars each."

I will now move, seconded by Senator Cox, that the

said by-law of The Canadian Bank of Commerce read to the meeting by the President be passed by the shareholders, and that the same be executed under the Corporate Seal of the Bank, countersigned by the President or Vice-President and the General Manager.

Senator Cox : I have pleasure in seconding the resolution which has been moved by the President.

Mr. W. Cassels : I have great pleasure in moving the following resolution : That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank. I think the shareholders are greatly to be congratulated that during these troublous times they have a Board composed of men of such high standing. I think they are also to be congratulated on having the General Manager restored to health. They have another asset which is not carried into this balance sheet, but one of very considerable moment, namely, the universal and general courtesy which, from the President down to the lowest clerk, is extended to anybody who has occasion to do business with this Bank.

Mr. William Davidson : I have much pleasure in seconding this resolution. There are two things which shareholders look for: the first is security, the next thing is a return upon their investment. In reading the statement which has been presented to-day there is no person but must be convinced that they have the first. As to the second, bearing in mind the security, the return upon the investment is ample. Another feature about the proceedings to-day which must be very reassuring to the shareholders is the very wide and exhaustive statement which has been presented to us by the President. A Bank like The Canadian Bank of Commerce, having branches not only in every part of this country but in other parts of the world, is necessarily interested in knowing and understanding the commercial relations

and the business possibilities of the countries in which it does business, and the address of Mr. Walker shows an amount of research and intelligent appreciation of all the financial business of the world that must redound very largely to the success of The Canadian Bank of Commerce.

The Chairman : On behalf of my co-Directors, I have to thank you very much indeed for the resolution. It has been, as you can realize, a more difficult year than usual, and I am sorry that the report I have read is not as rosy as in many past years, but we have always tried, in stating the business conditions in Canada, to be frank with you, and what we say will be convincing in proportion as we have been frank in our statements.

Mr. Kilgour : I have much pleasure in moving the following resolution : That the thanks of the meeting be tendered to the General Manager, the Superintendent of Branches and other officers of the Bank for the satisfactory manner in which they have discharged the duties of their several offices during the past twelve months.

In moving this resolution we have before us the magnificent statement presented to-day, which is all the more gratifying when we consider the exceedingly trying financial conditions which we have had, requiring on the part of our executive officers and the entire staff more than ordinary vigilance and care; and, on behalf of the Board and shareholders, I wish to express to them our warm appreciation of the ability and prudence which has characterized their administration.

It also affords me much pleasure to express to Mr. Laird, our esteemed General Manager, our great gratification in having him restored to us in health, as we realize that his illness was largely due to his zealous, faithful efforts in the interests of the Bank.

I desire to mention with sincere regret the great loss the Bank has sustained in the removal by death of Mr.

Mathewson, the late Manager of the Montreal Branch. Mr. Mathewson began his business career in 1870 as junior in Montreal, and served the Bank in various capacities until 1882, when he retired to accept the position of Manager of the Bank of Ottawa at Winnipeg. Subsequently, however, he returned to the Bank of Commerce as Manager at Winnipeg, and from there was transferred in 1899 to Montreal, where he remained until the time of his death in November last. Mr. Mathewson's position will be difficult to fill. As a citizen of Montreal he was identified with many of the city's commercial interests. He was highly esteemed by members of the business community, and was eminently qualified to take an important place in all that concerned the financial and commercial interests of that city.

Mr. Crathern : I have pleasure in seconding the resolution that has just been moved by the Vice-President, and in the first place, on behalf of the shareholders of the Bank as well as the Directors, I would tender our most sincere congratulations to our General Manager, Mr. Laird, on his restoration to health and strength.

In regard to Mr. Mathewson, we in Montreal feel that we have suffered a very great loss. By the customers of the Bank he was very highly respected and esteemed. In 1906 he was elected by acclamation as President of the Montreal Board of Trade, the first banker that had been elected to that position, and I can safely say that no gentleman ever retired from the position carrying with him the sympathy and admiration of the Board of Trade more than did Mr. Mathewson.

The General Manager : On behalf of the staff I thank you very kindly for the way in which you have received this resolution. It is a spur to do even better than we have been able to do in the past. I also thank you for the very courteous and gracious way in which you have referred to me. I believe we have a staff that is second

to none in banking in Canada, and it gives me very great satisfaction to acknowledge the kindness and consideration and the help that all the officers, from the highest to the lowest, have given me during the past year.

It was then moved by Dr. Hoskin, seconded by Mr. F. R. Wood :

That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until two o'clock this day the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

The meeting was then adjourned until 2 p.m., when the scrutineers reported that the by-law increasing the capital stock of the Bank had been carried unanimously and that the following gentlemen had been elected Directors for the ensuing year :

B. E. Walker, Robert Kilgour, Hon. Geo. ... Co., Matthew Leggat, James Crathern, John Hoskin, K.C., LL.D., J. W. Havelle, A. Kingman, Hon. L. Mel ... Jones, Frederic Nicholls, H. D. Warren, Hon. W. C. ... Edwards, Z. A. Lash, K.C., F. R. Wood.

At a meeting of the newly elected Board of Directors, held subsequently, Mr. B. E. Walker was elected President, and Mr. Robert Kilgour, Vice President.

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DANVILLE, QUE.



THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1908



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP \$10,000,000
REST 6,000,000

DIRECTORS:

B. E. WALKER, Esq., C.V.O., LL.D.	PRESIDENT
ROBERT KILGOUR, Esq.	VICE-PRESIDENT
HON. GEO. A. COX	HON. L. MELVIN JONES
MATTHEW LEGGAT, Esq.	FREDERIC NICHOLLS, Esq.
JAMES CRATHERN, Esq.	H. D. WARREN, Esq.
JOHN HOSKIN, Esq., K.C., LL.D.	HON. W. C. EDWARDS
J. W. FLAVELLE, Esq., LL.D.	Z. A. LASH, Esq., K.C.
A. KINGMAN, Esq.	E. R. WOOD, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H. N. WALLACE, Esq., Chairman	
C. W. ANDERSON, Esq.	W. J. G. THOMSON, Esq.
JOHN MACNAB, Esq.	W. N. WICKWIRE, Esq.

CHARLOTTETOWN BOARD:

WM. A. WEEKS, Esq., Chairman	
F. R. HEARTZ, Esq.	A. P. PROWSE, Esq.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

B. E. WALKER, C.V.O., LL.D. **PRESIDENT**

ALEXANDER LAIRD **GENERAL MANAGER**

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

JOHN AIRD, Superintendent of Central Western Branches

V. C. BROWN, Chief Inspector

D. A. CAMERON and J. P. BELL, Inspectors

WM. HOGG, Assistant Inspector

T. F. ASPDEN, Supervisor of Banking Accounts and Exchanges

A. ST. L. TRIGGE, Secretary

BRANCHES

BRITISH COLUMBIA AND YUKON—

CRANBROOK	R. T. BRYMNER	Manager
CRESTON	P. B. FOWLER	"
DAWSON	D. M. SANSON	"
FERNIE	H. L. EDMONDS	"
GREENWOOD	J. T. BEATTIE	"
KAMLOOPS	C. W. HALLAMORR	"
LADYSMITH	L. M. DEGEX	"
MISSION CITY	K. V. MUNRO	"
NANAIMO	E. H. BIRD	"
NELSON	J. L. BUCHAN	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	J. J. HUNTER	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCETON	A. J. MARLOW	Act. Mgr.
REVELSTOKE	A. H. ALLEN	Manager
VANCOUVER	WILLIAM MURRAY	"
Do. EAST	C. W. DURRANT	"
Do. PARK DRIVE	C. R. W. POOLEY	"
Do. SOUTH	E. W. CARR HILTON	"
VICTORIA	G. GILLRSPIC	"
WHITE HORSE	D. ROSS	"

WESTERN PROVINCES—

BAWLFP, ALTA.	W. H. HARRISON	Manager
BRANDON, MAN.	A. MAYEE	"
CALGARY, ALTA.	C. W. ROWLEY	"
CANORA, SASK.	G. G. BOURNE	"
CARMAN, MAN.	F. J. MACOUN	"
CLARESHOLM, ALTA.	W. A. CORNWALL	"
CROSSFIELD, ALTA.	JAMES CAMERON	"
DAUPHIN, MAN.	D. H. DOWNIE	"
DELISLE, SASK.	A. A. C. SELFE	Act. Mgr.
DRINKWATER, SASK.	H. H. LOWE	Manager
DURBAN, MAN.	W. E. D. FARMER	"
EDMONTON, ALTA.	T. M. TURNEULL	"
ELBOW, SASK.	R. P. MORRISON	Act. Mgr.
ELGIN, MAN.	J. D. BELL	Manager
ELKHORN, MAN.	R. H. BROTHERHOOD	"
GILBERT PLAINS, MAN.	H. W. MARLING	"
GLEICHEN, ALTA.	W. R. MCKIR	"
GRANDVIEW, MAN.	F. W. DE MILLE	"
GRANUM, ALTA.	THOMAS ANDREWS	"
HARDISTY, ALTA.	L. A. S. DACK	"
HIGH RIVER, ALTA.	A. G. VERCHERR	"
HUMBOLDT, SASK.	E. K. JARVIS	"

BRANCHES—Continued

INNISFAIL, ALTA.	W. M. HILBORN	Manager
INNISFREE, ALTA.	W. P. PERKINS	"
KAMSACK, SASK.	G. G. BOURNE	"
LANGHAM, SASK.	W. J. SAVAGE	"
LANIGAN, SASK.	B. P. ALLEY	"
LASHBURN, SASK.	J. H. DENT	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LLOYDMINSTER, SASK.	H. B. HAINES	"
MACLEOD, ALTA.	W. G. LYNCH	"
MEDICINE HAT, ALTA.	F. L. CRAWFORD	"
MELFORT, SASK.	F. C. WHITEHOUSE	"
MELVILLE, SASK.	D. H. GORDON	"
MONARCH, ALTA.	C. H. ANDERSON	Act. Mgr.
MOOSEJAW, SASK.	E. M. SAUNDERS	Manager
MOOSOMIN, SASK.	D. I. FORBES	"
NANTON, ALTA.	C. F. A. GREGORY	"
NEEPAWA, MAN.	C. BALLARD	"
NOKOMIS, SASK.	K. W. REIKIE	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
OUTLOOK, SASK.	C. A. MERCER	"
PINCHER CREEK, ALTA.	A. W. LARMOUR	"
PONOKA, ALTA.	A. F. TURNER	"
PORTAGE LA PRAIRIE, MAN.	A. L. HAMILTON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	W. V. GORDON	Act. Mgr.
RADISSON, SASK.	C. CADY	Manager
RED DEER, ALTA.	W. L. GIBSON	"
REGINA, SASK.	H. F. MYTTON	"
RIVERS, MAN.	R. M. SAUNDERS	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
STAVELY, ALTA.	THOMAS ANDREWS	"
STONY PLAIN, ALTA.	A. M. BROWN	"
STRATHCONA, ALTA.	G. W. MARRIOTT	"
SWAN RIVER, MAN.	J. A. SMITH	"
TREHERNE, MAN.	J. S. MUNRO	"
TUGASKE, SASK.	C. S. FREEMAN	Act. Mgr.
VEGREVILLE, ALTA.	W. P. PERKINS	Manager
VERMILION, ALTA.	H. M. STEWART	"
VONDA, SASK.	J. C. KENNEDY	"
WADENA, SASK.	A. L. JENSEN	"
WATROUS, SASK.	A. M. ANDREWS	"
WATSON, SASK.	HENRY KERR	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. S. SWINFORD	"
WINNIPEG, MAN.	{ JOHN AIRD	"
	{ R. A. RUMSEY	Asst. Mgr
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE ST.	"	"
Do. ELMWOOD	A. N. STRANG	"
Do. FORT ROUGE	H. L. WETHEY	"
Do. NORTH	H. W. TRENHOLME	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
YELLOWGRASS, SASK.	C. HENSLEY	"

BRANCHES—Continued

ONTARIO AND QUEBEC—

AYR	H. M. LAY	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLenheim	W. C. JOHNSTON	"
BRANTFORD	H. W. FITTON	"
CAYUGA	J. L. BARNUM	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	C. D. NEVILL	"
CREDITON	G. W. HARRISON	"
DRESDEN	H. G. MATHEWSON	"
DUNDAS	F. C. G. MINTY	"
DUNNVILLE	R. T. MUSSEN	"
EXETER	G. W. HARRISON	"
FOREST	H. E. TYLOR	"
FORT FRANCES	F. M. GIBSON	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	R. S. WILLIAMS	"
GUELPH	J. M. DEFF	"
HAMILTON	D. B. DEWAR	"
KINGSTON	P. C. STEVENSON	"
LATCHFORD	W. H. COLLINS	"
LINDSAY	W. C. T. MORSON	"
LONDON	JEFFERY HALE	"
MONTREAL	H. B. WALKER	"
Do. DE LORIMIER	WM. LEGGAT	Asst. Mgr.
Do. WEST END	J. P. TAILLON	Manager
ORANGEVILLE	H. B. PARSONS	"
OTTAWA	W. H. LUGSDIN	"
Do. BANK ST.	ROBERT GILL	"
PARIS	C. R. ARMSTRONG	"
PARK HILL	R. C. MACPHERSON	"
PARRY SOUND	T. L. ROGERS	"
PETERBORO	E. M. LOCKIE	"
PORT ARTHUR	D. HUGHES CHARLES	"
PORT PERRY	A. W. ROBERTS	"
QUEBEC	J. McE MURRAY	"
RAINY RIVER	W. H. DUNSFORD	"
ST. CATHARINES	H. W. GRAHAM	"
SARNIA	R. G. W. CONOLLY	"
SAULT STE. MARIE	A. D. McLEAN	"
SEAFORTH	GEORGE WILLIAMS	"
SIMCOE	G. E. PARKES	"
STRATFORD	W. C. J. KING	"
STRATHROY	WM. MAYNARD	"
THEDPORD	L. H. DAMPIER	"
TORONTO	J. FULLER	"
Do. BLOOR AND YONGE	M. MORRIS	Asst. Mgr.
	C. CAMBIE	Manager
	JAMES BRYDON	"

BRANCHES—Continued

TORONTO, MARKET	T. A. CHISHOLM	Manager
Do. PARKDALE	W. A. COOKE	"
Do. PARLIAMENT ST.	A. H. CREASE	"
Do. QUEEN AND BATHURST	E. M. PLAYTER	"
Do. QUEEN EAST	J. M. HEDLEY	"
Do. SPADINA AND COLLEGE	H. F. D. SEWELL	"
Do. YONGE AND COLLEGE	G. C. T. PEMBERTON	"
Do. YONGE AND QUEEN	H. C. RAE	"
WALKERTON	G. A. HOLLAND	"
WALKERVILLE	A. W. RIDOUT	"
WATERLOO	J. MOORMAN	"
WEST TORONTO	J. B. MCCUAIG	"
WIARTON	J. J. ACRES	"
WINDSOR	E. P. GOWER	"
WINGHAM	A. E. SMITH	"
WOODSTOCK	F. CROSSLEY	"

MARITIME PROVINCES—

ALBEKTON	W. C. LAWSON	Manager
AMHERST	J. H. MORRISON	"
ANTIGONISH	J. H. MCQUAID	"
BARRINGTON	F. W. HOMER	"
BRIDGEWATER	H. C. DUNCAN	"
CHARLOTTETOWN	H. A. HOLMES	Act. Mgr.
HALIFAX	D. MACGILLIVRAY	Manager
MIDDLETON	C. W. MONTGOMERY	"
MONTAGUE	I. H. COFFIN	"
NEW GLASGOW	B. DEVEBER	"
PARRSBORO	A. E. CURRIE	"
ST. JOHN	F. B. FRANCIS	"
SHELBURNE	T. W. MAGEE	"
SOURIS	G. W. SUTHERLAND	"
SPRINGHILL	E. B. FAIRBANKS	"
SUMMERSIDE	H. A. HOLMES	"
SYDNEY	E. B. IRELAND	"
TRURO	S. N. MOFFAT	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	Wm. GRAY	} Agents
	C. D. MACKINTOSH	
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO	G. W. B. HEATHCOTE	Asst. Mgr.
Do. VAN NESS AND EDDY	"	"
SEATTLE	G. V. HOLT	Manager
SKAGWAY	W. T. WHITE	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.	
S. CAMERON ALEXANDER	} Managers
H. V. P. JONES	
ADAM STODART	

BANKERS AND CHIEF CORRESPONDENTS

GREAT BRITAIN—

Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Limited.

UNITED STATES—

NEW YORK—The American Exchange National Bank, The Chase National Bank; ALBANY—The New York State National Bank; BOSTON—The National Shawmut Bank, The Second National Bank; BUFFALO—The People's Bank of Buffalo; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The First National Bank; DENVER—The First National Bank; DETROIT—The Peoples-State Bank, The First National Bank; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; ST. LOUIS—The Mechanics-American National Bank; ST. PAUL—The National German American Bank; SALT LAKE CITY—The Desert National Bank; SPOKANE—The Traders National Bank; TACOMA—The Bank of California.

AUSTRIA—

Anglo-Austrian Bank.

BELGIUM—

J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.

FRANCE—

Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.

GERMANY—

Deutsche Bank; Direction der Disconto-Gesellschaft.

HOLLAND—

Twentsche Bank, Zwolle; Amsterdamsche Bank, Amsterdam; Disconto Maatschappij, Rotterdam.

ITALY—

Banca Commerciale Italiana, Milan.

SWITZERLAND—

Banque Fédérale de Commerce, Schweizerische Kreditanstalt, Zurich.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hongkong and Shanghai Banking Corporation.

SOUTH AFRICA—

Standard Bank of South Africa, Limited; Bank of Africa, Limited.

AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Limited; Bank of Australasia; National Bank of Australasia, Limited.

HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

SOUTH AMERICA—

British Bank of South America, Limited; London and Brazilian Bank, Limited; Anglo-South American Bank, Limited.

MEXICO—

Banco de Londres y México.

WEST INDIES—

Bank of Nova Scotia, Kingston, Jamaica; Colonial Bank and Branches; National Bank of Cuba, Havana, Cuba.

BERMUDA—

Bank of Bermuda, Limited, Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1908

LIABILITIES

Notes of the Bank in circulation.....	\$ 9,640,845 68
Deposits not bearing interest.....	\$22,231,129 05
Deposits bearing interest, including interest accrued to date.....	72,806,666 97
	95,037,796 02
Balances due to other Banks in Canada.....	165,408 36
Balances due to other Banks in foreign countries ..	1,131,386 64
Dividends unpaid.....	1,532 69
Dividend No. 87, payable 1st December.....	200,000 00
Capital paid up.....	\$10,000,000 00
Reserve.....	6,000,000 00
Balance of Profit and Loss Account carried forward.....	161,244 88
	16,161,244 88
	\$122,338,214 27

ASSETS

Coin and Bullion.....	\$4,584,049 06
Dominion Notes.....	8,503,293 25
	\$13,087,342 31
Balances due by other Banks in Canada.....	\$ 11,850 55
Balances due by Agents of the Bank in the United Kingdom..	6,750,669 18
Balances due by other Banks in foreign countries ..	3,191,278 88
Notes of and Cheques on other Banks.....	4,344,762 50
	14,298,561 11
Call and Short Loans in Canada.....	7,314,181 53
Call and Short Loans in the United States.....	10,622,703 14
Government Bonds, Municipal and other Securities	4,373,390 71
Deposit with Dominion Government for security of Note circulation.....	450,000 00
	\$50,446,178 80
Loans to other Banks in Canada, secured.....	1,061,252 09
Other Current Loans and Discounts.....	68,694,649 07
Overdue Debts (loss fully provided for).....	143,648 74
Real Estate (other than Bank Premises).....	36,325 44
Mortgages.....	27,102 91
Bank Premises.....	1,727,444 33
Other Assets.....	201,612 89
	\$122,338,214 27

ALEXANDER LAIRD,
General Manager.

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THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 12TH JANUARY, 1909.

The forty-second Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 12th January, 1909, at 12 o'clock.

Among those present were:—

John Hoskin, K.C., LL.D., Robert Kilgour, E. R. Wood, Hon. George A. Cox, Hon. L. Melvin Jones, C. D. Warren, G. C. T. Pemberton, Rev. Dr. Somerville, J. S. Willison, A. E. Kemp, J. L. Watt, G. A. Somerville, J. K. Macdonald, J. M. Hedley, T. A. Chisholm, Hon. Mr. Justice Britton, H. Lockhart Gordon, Richard Brown, Samuel Nordheimer, Edward Cronyn, H. F. D. Sewell, J. Hedley, R. Gray, Thomas Gilmour, John L. Blaikie, J. Short McMaster, P. G. Van Vleet, William Garside, Dr. J. H. Carrique, John A. Morton, W. T. White, W. E. Rundle, J. O. Thorn, T. A. Russell, J. C. Sinclair, Z. A. Lash, K.C., F. H. Gooch, William Craig, A. H. Campbell, Jr., Major Keefer, W. T. Boyd, Miss Robinson, G. F. Beer, M. Morris, William Davidson, R. C. Carlyle, R. Harmer, Henry Beatty, Andrew Smith, F. Beemer, C. Cambie, G. A. Morrow, Thomas Walmsley, W. B. Meikle, R. T. Coady, J. S. Lovell, Robert Davies, J. A. Ewan, C. A. C. Jennings, W. Murray Alexander, Frank Sanderson, S. R. Wickett, William Prendergast, John Westren, H. L. Watt, A. E. Ferrie, L. J. Cosgrave, H. C. Cox, J. M. Clark, K.C., J. Brydon, A. W. Anglin, K.C., William Mackenzie, Frederick Wyld, W. Harland Smith, Emilius Jarvis; Mr. and Mrs. C. M. Gripton, St. Catharines; James Crathern, Montreal; Hon. W. C. Edwards, Ottawa; A. Kingman, Montreal; W. W. Tambllyn, Bowmanville; H. B. Walker, Montreal; George Murray, West Toronto;

William Gray, New York; John E. Belcher, Peterboro; H. W. Fitton, Brantford; George Reddie, West Toronto; William Cook, Carrville; J. H. Morrison, Amherst, N.S.; R. P. Butchart, Victoria; C. D. Nevill, Collingwood; J. W. Campbell, Calgary; William McAdie, Oshawa; A. Maybee, Brandon; Rev. T. W. Paterson, Deer Park; John A. Bruce, Hamilton; G. H. McLaren, Hamilton; F. C. Bruce, Hamilton; D. Hughes Charles, Peterboro; John Leggat, Hamilton; William Glenney, Oshawa; D. B. Dewar, Hamilton; Jeffery Hale, London; John Aird, Winnipeg; Mr. and Mrs. F. J. D. Smith, Newtonbrook.

The President, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. Murray Alexander and Edward Cronyn were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:—

REPORT

The Directors beg to present to the Shareholders the forty-second Annual Report, covering the year ending 30th November, 1908 together with the usual Statement of Assets and Liabilities:—
The balance at credit of Profit and Loss Account.

brought forward from last year, was.....	\$ 675,912 10
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,627,332 78
	<u>\$2,303,244 88</u>

Which has been appropriated as follows:—

Dividends Nos. 84, 85, 86 and 87, at Eight per cent. per annum.....	\$ 800,000 00
Written off Bank Premises.....	300,000 00
Transferred to Pension Fund (annual contribution).....	30,000 00
Subscriptions to Quebec Battlefields and Fernie Fire Funds and other objects.....	12,000 00
Transferred to Rest Account.....	1,000,000 00
Balance carried forward.....	161,244 88
	<u>\$2,303,244 88</u>

All the assets of the Bank have been, as usual, carefully re-valued and all bad and doubtful debts amply provided for.

Your Directors have the pleasure of reporting earnings amounting to \$1,627,332.78, which, in view of the disturbed financial conditions of the year, we consider very satisfactory. After providing for the dividends and for the usual contribution to the Pension Fund, we have been able to write \$300,000 off Bank Premises Account, to add \$1,000,000 to the Rest, making that account \$6,000,000, and to carry forward \$161,244.88 at the credit of Profit and Loss Account.

During the year the Bank has opened new branches at the following places: In Ontario, at Crediton, Exeter, Forest and Thedford, the first two and the last-named being branches taken over from the Sovereign Bank of Canada; in Manitoba, at Rivers; in Saskatchewan, at Delisle, Elbow, Melville, Outlook, Tugaska and Watrous; in Alberta, at Monarch; and in British Columbia, at Revelstoke and Park Drive, Vancouver. The branches at Kenville, Man., Kinistino, Sask., Norwood, Man., and Ross Avenue, Winnipeg, have been closed. Since the close of the Bank's year a branch has been opened at Provost, Alta.

In accordance with our usual practice, the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office have all been thoroughly inspected during the year.

The Directors again have pleasure in recording their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER,
President.

TORONTO, 12th January, 1909.

The General Manager then said:—

GENERAL MANAGER'S ADDRESS.

In our last report we took occasion to say that, after a period of unusual financial stringency, we must expect diminished banking profits; and the year now closed has shown a general disposition to liquidate old obligations rather than to create new ones. A lack of confidence is usually accompanied by a desire to accumulate funds, and this means unwillingness to risk investments in enterprises which are attractive and desirable. Our statement gives every indication of the great change in our financial position during the year. We are still feeling the effects of the general liquidation already referred to, and this must be reflected in our earning power. Confidence, however, is returning, and we have every reason to believe that the coming year will bring a fair measure of prosperity.

The net profits for the past year show a decrease of \$125,016.89 as compared with the figures of the previous year, but they are slightly in excess of 16½ per cent. on the paid-up capital, and under the circumstances we feel that this result is a very satisfactory one. Had it not been that the volume of our loans was well maintained during the early part of the year, the decrease would have been much greater.

We have paid the usual dividends at the rate of 8 per cent. per annum, and, after providing for the customary payment to the Pension Fund and for some special subscriptions, and adding \$1,000,000 to the Rest, we have been able to set aside \$300,000 for Bank Premises Account, and to carry forward undistributed profits of \$161,244.88. This emphasizes the position this Bank is in as regards the maintenance of its present rate of dividend, and, while some of the shareholders may feel that they are entitled to a larger distribution of the profits of the Bank, we believe the majority will agree with us that the present moment, when we are facing a period of diminished

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denand and consequent lower rates for money, is hardly opportune for the consideration of this question, and that the policy your Executive has followed of strengthening the foundations of the Bank is that which will tend most surely, in the not distant future, to the realization of the hopes of those who look for increased returns. It is possible that some may think our expenditures on bank premises might now be lessened to some extent, and in this connection we may say that the principal buildings which we feel at the present time are necessary should, in the course of the next two years or thereabouts, be completed. But the rapid extension of the Bank in the newer parts of this country, and the remarkable growth exhibited by many of the cities and towns of these new districts, are constantly making demands upon us for accommodation which we find it difficult—indeed, well nigh impossible—to obtain in any other way than by erecting our own buildings.

During the year our deposits have increased by \$7,996,738, or almost eight million dollars, of which about six million dollars is in deposits bearing interest. It may be interesting to note that, starting last year with deposits of \$87,041,057, some of which were of a temporary character, being balances of large accounts in process of adjustment, there was a decrease until April, when we reached the lowest point, \$82,257,018. The past six months showed a steady increase, culminating in our record of \$95,037,796. On the other side of the balance sheet, our loans stand at \$87,692,785, as compared with \$83,768,829 in our last report, the decrease being mainly under the heading of "Current Loans and Discounts" which represents almost entirely our share of the commercial loans of the country. In this item the decrease is \$7,378,622; while, on the other hand, our Call and Short Loans have increased \$5,241,327.

We have not had a recurrence of the difficulties attending the marketing of our crops, and, perhaps, a word on this question will not be out of place. There was little or no apprehension of stringency during the crop season. Our easier financial position, the wise provision for an emergency circulation, and the fact that a large portion of the crop was moved with exceptional rapidity before the close of navigation, all tended to obviate these difficulties; still there is much need to consider seriously permanent measures for financing a crop movement of such large proportions. It is manifestly necessary that there should be a larger amount of bank capital available as a basis for our circulation, but, even with a considerable augmentation of bank circulation and the thoughtful interposition of Government measures of relief, we shall still be brought face to face with the difficult problem of taking care of immense stores of grain after the close of navigation, when the interior movement is over and the grain is warehoused at terminal points.

A year ago we were experiencing a world-wide financial disturbance, with a money stringency of almost unprecedented severity. A policy of extreme conservatism was forced upon Canadian banks, and, as a consequence, they were subjected to much criticism for their practice of carrying loans at call in New York, it being argued that these moneys ought to have been wholly employed in meeting the needs of the manufacturing and mercantile interests of Canada. The fact that the banks have moneys lent outside Canada, at a time when there is a strong demand for accommodation on the part of the business community here, not unnaturally appears open to criticism to persons who are not possessed of all the facts, and, as the subject is one which seems likely to continue to come under discussion from time to time, we think it well to add to what has already been said by other bankers in reply to this criticism.

In November, 1907, when the foreign loans of Canadian banks were at their low point—\$64,774,000—the Canadian banks held deposits elsewhere than in Canada amounting to \$54,819,000, so that not more than \$10,000,000 of Canadian funds were being lent outside Canada. Moreover, the larger portion of these loans is carried in New York at 24 hours' call—practically as readily available as cash. Except at rare intervals, New York call loans bear a much lower rate of interest than Canadian mercantile loans; consequently the banks aim to carry only such an amount at call in New York as, with the cash carried here, will constitute a reasonable reserve of cash and immediately realizable funds. Notwithstanding all that financial critics have written about the Canadian banks sending to New York moneys needed in Canada, in order to take advantage of the high rates occasionally prevailing there, such a thing as a bank curtailing its commercial loans in Canada for a purpose of this kind is absurdly improbable. Only occasionally during the past fourteen years have excessive rates for call money in New York prevailed for more than a few days in the year, and no sane banker would think of sacrificing permanent business connections in Canada, of even the smallest kind, for such a temporary advantage. Self-interest will at all times be a sufficiently weighty force to prevent the banks from lending Canadian funds outside of Canada except to the extent that is necessary for the purposes of their cash reserves.

From the figures quoted above it will be seen that, so far from the business interests of Canada being prejudiced by the policy of the Canadian banks in this matter, they are actually benefited, and in no small measure, since the deposits gathered abroad supply a large part of their cash reserves. Had the banks at the date mentioned had no deposits and no loans outside of Canada, only \$10,000,000 would have been added to their

resources at home and this would not have been lent for commercial purposes. On the contrary, in order to bring the total reserves up to the normal level, not only would it have been necessary to add this sum to the cash reserves carried here, but also to withdraw a further large sum from mercantile loans.

During the panic in the United States some of our newspapers published sensational and misleading articles to the effect that the funds lent by Canadian banks in New York were tied up and could not be got back to Canada. Notwithstanding the severity of the panic, however, there was not a day during which moneys lent to New York brokers on call could not have been got in, and, while it is true that, if it had been desired to ship money to Canada direct from New York, a premium of 3 to 5 per cent. would have fallen to be paid, on the other hand New York funds could at any time have been exchanged for drafts on London, and the gold brought from there—indeed, this procedure was followed to a considerable extent by the New York agencies of some Canadian banks. No more convincing evidence could be had of the availability of call loans in New York than is afforded by the experience of last year.

On the general subject of the moneys lent in the United States, it may properly be argued that reserves are for use in a time of emergency, but on this score it can be shown that the course of the Canadian banks last autumn was not at all open to criticism. In the month of September, 1907, the total loans of Canadian banks outside Canada amounted to \$88,953,000, while at the end of November, when the stringency was most severe, they had been reduced to \$64,774,000—from which it will be seen that the banks had drawn upon their outside reserves to the large amount of \$24,000,000 to meet the necessities of the mercantile community in Canada. We may be permitted to express our opinion that, with very few exceptions

indeed, the Canadian banks last year faced a very trying situation with courage and a proper sense of their obligations to the business community. As far as this Bank is concerned, we are able to say that no lines of credit for customers were cancelled and no customer from the Atlantic to the Pacific was refused accommodation for his legitimate requirements.

In moving the adoption of the Report the President said —

PRESIDENT'S ADDRESS.

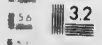
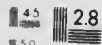
It is hardly necessary to say that the conditions of business are very different from those of a year ago. We were then required to meet the serious lessening of our purchasing power because of poor crops in Canada, and our share of the result of the culmination of a world-wide expansion in general expenditure, and particularly in the fixing of capital in public and private improvements. We have now had a year in which the pace of expenditure throughout the world has been sufficiently checked to ease the money markets, and in Canada we have gathered an excellent harvest. Better class securities almost everywhere have recovered in price to such an extent as almost to wipe out the apparent losses which seemed so serious a year ago, and which were, of course, real to those who were forced to sell. The lessening of our power and disposition to purchase goods has naturally lessened the profits of many manufacturers and merchants; but all this was inevitable, and I think those who consider sufficiently must conclude, as a year ago we suggested would be the case, that we have suffered far less than most other countries. Whether we have suffered enough for our own good is another matter.

The total of the bank clearings for 1907 in thirteen Canadian cities was \$4,325,000,000, while for 1908 it was \$4,142,000,000, so that the falling off is only 4.2 per cent.



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Owing to the change in the fiscal year of the Dominion Government, which now ends 31st March, we cannot make very useful comparisons between the years ending at that time in 1907 and 1908, but it is evident that up to the end of March, 1908, no decrease in the volume of imports and exports had taken place. But by comparing the half-years—April to September inclusive—we obtain very suggestive figures. For this half-year in 1907 the imports were \$202,700,000 against \$149,500,000 in 1908, and the exports were \$138,200,000 against \$118,700,000 in 1908. So that an excess of imports amounting to \$64,500,000 for the half year in 1907 had been lessened to \$30,800,000 in 1908. As far as the mere lessening of the difference between exports and imports is concerned, this is fairly satisfactory. During the ensuing half-year—October to March inclusive—both exports and imports will doubtless show large increases, but it will be very interesting to see whether we have maintained or improved the relation between what we sell abroad and what we buy. So long as we are not only settling large numbers of immigrants in our new provinces but spending what is necessary to prepare for still larger immigration, we must expect to buy abroad more than we sell, but financial safety lies in preserving reasonable proportions between our purchases and sales. The great differences of the last few years have—except during temporary periods of stringency—been adjusted with comparative ease by the sale of our securities, mainly in Great Britain, but also to a small extent in the United States. This comparative ease, it is well to remember, is due to the high state of our credit in London and sympathetically elsewhere, and the maintenance of this high credit depends upon ourselves. Some idea of the growth in our financial transactions abroad may be gathered from the following facts. During 1908 the total issue of Canadian securities in the shape of bonds was \$196,357,000, of which about \$77,500,000 were in government issues, \$47,500,000 in municipal issues and \$71,300,000

in bonds of railway and industrial corporations. These bonds were sold as follows :—

In Great Britain.....	about \$165,000,000
In Canada	“ 25,000,000
In the United States.....	“ 6,000,000

The most satisfactory feature is the generally high character of these securities. Without undertaking to express an opinion about any particular issue, it is safe to say that few countries have produced better securities, as a whole, than those issued by Canada in recent years. Our high credit clearly depends upon a continuance of high quality in our securities and moderation in the quantity offered at any one time.

THE MARITIME PROVINCES.

The prosperity of these provinces has naturally been more unevenly distributed than usual owing to the lower prices and restricted markets generally prevailing, but except where the conditions of manufacturing, including lumbering, have affected the result, there has been general although moderate progress. The winter was mild, the spring dry and the land ready for seeding early. The season was favourable for growth and the yield in most crops has been up to or above the average. Dairying has been prosperous, cheese and butter bringing record prices; apples, while not so plentiful, have been of better quality, and brought more money; other fruits have also done well. Hay has been a heavy crop but with lower prices. Taken as a whole, agricultural results have been satisfactory, marred somewhat by lower prices.

In fishing, because of the great length of the coast line, there has been the usual variety of results in different localities, but as a whole the supply of fish has been maintained. Prices, however, have been less satisfactory, partly because of the general conditions of trade, but also because in the dried-fish trade there has been unwholesome com-

petition for some years past, resulting in high prices to the fisherman but in losses to the merchant. Prices have now fallen to a level which should eventually put the trade on a sounder basis.

The hope of an improvement in the markets upon which New Brunswick and Nova Scotia depend for the sale of lumber did not prove well-founded. The cut for the winter was larger than had been estimated, and this, added to large stocks already on hand, has not helped matters. The stringency in money forced many dealers in the Baltic and elsewhere to sell at a sacrifice and the European markets were thus flooded with cheap lumber at a time when the demand for lumber, especially in box-making—because of strikes and declining trade—was at a minimum. The slaughtering of prices, however, has taken place; stocks abroad are lower; the cut this winter will be even smaller than last; spruce may, to some extent, be made into boards for other markets instead of deals, and a distinct improvement in prices and in volume of trade is already evident from recent cable advices.

It is pleasant to record that, despite general depression in the trade of the world, the quantity of Canadian coal mined and shipped was larger in 1908 than in 1907. There has been sharp competition due to many times the usual quantity of American coal being sold in Montreal at low prices, because of bad markets at home. Since October the markets have been depressed, and much will depend upon the trend of prices and of production in the United States.

Our largest steel company has again had a successful year, nearly all the departments having been well employed, and the earnings exceeding those of 1907. In view of the condition of the steel trade throughout the world, this is a very satisfactory state of affairs. It seems also probable that the works will be well if not fully employed throughout the coming year, although doubtless on a lower basis of prices. During the year the company tendered

successfully, although at current British rates, for about 25,000 tons of rails for India and Australia.

In other manufactures, especially those depending on railroads or other large works, or upon Western trade generally, there has been a sharp falling off in volume, and although a recovery has set in it must be at lower prices, and the immediate outlook is not very promising.

ONTARIO AND QUEBEC.

While the results of the year's farming operations have been a fair average in Ontario, they have been below the average in Quebec. Spring conditions were favourable in most parts of Ontario, but the season was late in Quebec and in Eastern Ontario. In both provinces the unusually dry period during the summer affected the yield in the case of many crops, and the farmer suffered like others from the decline in prices. Still the year was one of prosperity although the farmer's purchasing power is for the moment lessened by the effect of the poor crops of 1907. The acreage of fall wheat sown in all Canada for the crop of 1909 is five per cent. less than normal, although there have been great increases in the three prairie provinces and in Quebec. The reduction in the general average is caused by the Ontario acreage falling to 86 per cent. of the normal amount owing to the drought and consequent bad condition of the ground for working. Any loss due to this will doubtless be made up in other directions. Hay and pastures generally were of course affected by the drought. The value of the hay and other fodder crops, of potatoes and roots, including sugar beets, in Ontario and Quebec, is very great, and yet in discussing crops from year to year we are apt to forget the importance of these relatively to the cereals. The Government report for November shows the value for all Canada of these root, seed and fodder crops to be \$186,000,000, of which 48 per cent. was grown in Ontario and 28

per cent. in Quebec, the money value for 1908 in the two provinces being \$142,500,000.

For a second time dairy exports are much less than for the record year of 1906, and while this is partly due to the lack of rain and a lessened number of milch cows, we have apparently come to a point in the trade where its growth cannot be judged by the exports alone as it has been possible to do heretofore with a fair degree of accuracy. Fortunately the statistics now published by the Dominion Government make a study of the subject quite easy. There has been another marked decline in the total value of cheese exported, the quantity shipped from Montreal being valued at only \$17,142,000, against \$20,941,000 in 1906, although the average price was the highest on record. In butter there is an improvement of about 50 per cent. over the extraordinarily low figure of 1907, but even then we show exports valued at only \$1,266,000, as against \$7,400,000 in 1905. If we compare 1908 with 1903 the loss in value of dairy products exported is about \$8,000,000. If, however, we take into account the requirements of our greater population, an increased supply worth about \$9,000,000 is now required for home consumption. But this is not a sufficient explanation, because the decline in exports has been as great since 1906 as since 1903. There is no doubt that it is also due in a large measure to the more lavish expenditure at home for all dairy products owing to our increased prosperity. The total value of the entire dairy product of Canada for 1908 is estimated at \$94,000,000. There are in Quebec 2,806 factories for the making of cheese, or butter, or both, and in Ontario 1,284, while in all the rest of Canada there are but 265. This comparison gives some idea of the opportunity for expansion in this most valuable branch of farming. No matter how great is the home consumption the growth of our dairy business should be great enough to provide for it, and barring lean pastures, to increase annually the quantity avail-

able for export. It is most unfortunate that at a time when there has been drought in Australia and New Zealand the same thing has occurred in Canada. As a consequence the falling off in the supply of colonial butter in Great Britain has been so great that prices have been the highest in twenty years, and, foreign butter makers being unable to supply the deficiency to any considerable extent, it has been supplied by various cheap substitutes for butter, doubtless to the disadvantage of our future trade in the real article.

Exports of apples have also been smaller owing to the prolonged dry weather. As against 630,000 barrels in 1907 we exported only 351,000 in 1908, the average for nine years being 430,600.

The market for horses has been satisfactory. Owing to the reduction in the herds on account of the lack of food supplies in 1907, and the dry season of 1908, there is not the same improvement in the cattle of Ontario and Quebec as has taken place in the West, and a season or two of our usually plentiful food supplies will be necessary before we have entirely recovered. It is also regrettable that the Ontario farmers have for two or three years paid less attention to hog raising than formerly, partly, of course, because of the scarcity of food; the effect has been to lessen the steadiness of our supply of bacon and to give our chief competitor, the Dane, a renewed hold on the market in Great Britain.

The stringency in money has affected the lumber trade of Ontario and Quebec as elsewhere. Large transactions for a time practically ceased, but the manufacturers are as a rule able to hold their stocks, and are unwilling to make much concession in price. There are now signs, both in Great Britain and the United States, of some renewed interest, and this particular trade will doubtless recover its strong position as quickly as any other. There is naturally some lowering of the cost of manufac-

ture, although this will not have its full effect upon boards sawn this year.

In almost all branches of manufacturing there has been a large falling off in output, causing a considerable number of people to be out of employment, and all shop-keepers and distributors of goods experience a corresponding diminution in the volume of sales and in profits. This inevitable result of the necessary check which has come to the world's expansion is now gradually passing away, and we can look hopefully to the future, especially in view of the unusual growth of this country. In many branches of manufacturing orders are now coming in quite satisfactorily, and many stocks which had become low are being replenished.

Much the most interesting feature in the development of Ontario has been the Cobalt mining camp and the prospect of new areas of similar character. The actual silver shipments of 1907 have advanced us to the fourth position among the world's producers, as compared with the fifth position a year ago. We have passed Germany and we may pass Australasia in the near future. Up to the close of 1907 the total value of silver produced at Cobalt was \$11,300,000; and of this about \$6,000,000 was shipped in 1907, the average value being about 65 cents per ounce. The quantity of ore shipped in 1908 was about double that of 1907, but the average value having fallen to approximately 52 cents per ounce the money result is only about \$9,500,000. Had the price of silver remained as in 1907 the value of the product of 1908 would have been about \$12,000,000. The result is in any event very gratifying and is still due largely to development work. The most notable new areas are in the Montreal River district about 75 miles northwest of Cobalt, where the general conditions seem to be practically similar to those at Cobalt. It is too early as yet to guess whether Cobalt is to be repeated. The shipments from Cobalt have been made by about 40

companies; 24 of these are regular shippers, and 15 are paying dividends. Unfortunately these 15 dividend payers are the examples upon which numerous companies are being created, most of which will not reach the dividend paying stage. The total capital of the companies listed on the Exchange is about \$56,000,000 and their shares are quoted as worth about \$58,000,000. In addition to these there are many companies whose shares are not listed. It is of course possible that this rich camp may as a whole justify these figures, but, if so, it will almost surely mean that a few have made large sums while a very large number of exceedingly foolish people have lost all that they had invested. While Cobalt can produce silver cheaper than any mining area in the world except those where it is a by-product, the fall in the world's price for silver is disappointing. If the low price continues many mines in other countries must close down, and this would tend to a movement upward.

The total value of all minerals produced in Canada in 1907 was \$100,000,000, against \$65,000,000 five years ago and \$10,000,000 twenty years ago.

While the smaller number of immigrants and other travellers, and the lessened imports, have been unfavourable factors, Montreal as a port has done well during the past year. It now occupies the fifth place in North America, being surpassed by New York, Galveston, Boston and New Orleans. The value of incoming and outgoing merchandise for 1907 was \$192,000,000, and to meet the requirements of this great trade the Harbour Commissioners have made important improvements of the most modern character. The Marine and Fisheries Department have also for some years past been steadily improving the lighting of the St. Lawrence, and it is claimed that during the last eight years the decline in insurance rates has been such as to make a saving to freight and vessel owners combined of about \$6,000,000.

MANITOBA, SASKATCHEWAN AND ALBERTA.

There is little to say this year about the prairie provinces that is not pleasant to hear. So far as agriculture is concerned the work of seeding was done under very good conditions, and with ideal weather in June, the sanguine hopes of early July, which went as high as 125,000,000 bushels for wheat, were not without justification. But July was too hot and in August there was some frost. The total yield did not come up to the calculations of the most optimistic, but it is the largest ever secured in all kinds of produce. Both yield and grade, when the grain was not frosted, were good, and with prevailing prices the money return is of course larger than in any previous year. Our estimate of the total quantity of cereals is as follows: Wheat, 106,040,000 bushels; oats, 103,200,000 bushels; barley, 23,380,000 bushels; or in all, 232,620,000 bushels, against 160,000,000 in 1907 and 32,000,000 in 1900. The West has seldom had a season more favourable for the threshing and movement of the crop, and also for the preparation of the land for the following year. As a consequence it is estimated that the acreage for 1909 will exceed that of 1908 by 15 to 20 per cent., making a total acreage of 11,500,000, of which about 7,250,000 will be in wheat. With this bountiful crop for 1908 and the handsome promise for 1909 it is well not to forget such years as 1907. There are many avenues of economy and profit open to the Western farmer which, because of the ease with which he acquires wealth, he is apt to neglect. This is unfortunate for the country as a whole, and some day it may be unfortunate for him. Apparently he does not always prepare in the fall as large an acreage as possible for early seeding in the spring, nor is he always careful to use good seed; he does not use fertilizers to any reasonable extent, nor destroy noxious weeds with sufficient vigour, nor does he prepare for a proper rotation of crops; and it is regrettable that the higher branches of farming,

such as dairying, the breeding of good cattle, horses, hogs and sheep, and the raising of poultry, are not being more rapidly developed. However, the Manitoba Government is doing good educative work of this kind in its Agricultural College, and the Governments of Alberta and Saskatchewan have shown in many ways that they are alive to these most important questions. The example also of the well trained farmers who are to be found in many districts must tell in time; indeed, there are many parts of the three provinces in which great progress in mixed farming is already noticeable.

From the best information we can get the year just closed is regarded as an exceptionally good one in the cattle trade. Prices have been satisfactory and the European markets have been steadier than at any time since 1892. The prospects for a continuance of good prices seem particularly bright owing to the general shortage of cattle in all exporting countries, and especially in the United States. Canadian herds from the Atlantic to the Pacific are now reported by Government experts to be entirely free from disease, and a most careful quarantine against foreign countries as to cattle, cattle products, and horses, is being maintained. On the Western ranges the grass is excellent and well cured, and animals intended for next year's market should come through the winter in good condition. While it is difficult to obtain reliable records of the number and total movement of cattle in the West, the following figures will be of interest. The shipment for export for the last four years has been as follows:—

1905.....	64,287
1906.....	86,575
1907.....	53,556
1908 (to 5th December).....	100,454

These figures indicate clearly the severity of the winter of 1906-7, and also the recovery from its effects. The total

number of cattle, horses and sheep in the three provinces is estimated as follows:—

	Cattle.	Horses.	Sheep.
1901.....	942,625	340,329	182,616
1906.....	1,944,598	682,919	304,531
1908.....	2,073,840	737,659	307,682

Now that the slight check to the growth of the West, caused by the world-wide stringency in money, the poor crops of cereals and the bad winter for cattle, is passing, it may be well, if you are not already tired with figures, to give some of the evidence afforded by statistics of the rapid growth of the prairie provinces. We have already dealt with grain and cattle. In lumber the cut for the country between Lake Superior and the Rocky Mountains—a district not very important in timber areas compared with other parts of Canada—has grown from 119,000,000 feet in 1899 to 266,000,000 feet in 1907. In coal from mines in Alberta and Saskatchewan, the growth in the same period has been from 334,000 to 1,757,000 tons. The grain storage capacity, including terminal elevators, has grown from a little under 20,000,000 bushels in 1899 to 61,000,000 bushels in 1908. The milling capacity, of which we have no records for 1899, has grown from under 20,000 barrels per day in 1903 to over 40,000 barrels per day in 1908.

The railway mileage in the three provinces has grown from 2,000 miles in 1900 to 8,560 miles in 1908, and the demand for branch lines is still as pressing as ever. The Premier of Alberta has stated his views as to the necessity for greater transportation facilities in his province so urgently, that we cannot doubt but that his people and those of Saskatchewan are keenly alive to the advantage and necessity of being able to get their crops speedily to the seaboard. The movement of cars will illustrate the poorness of the crop of 1907 and the excellence of the crops of



FORT FRANCES, ONT



1906 and 1908, and also the improved capacity of the railroads. For the twelve months ending 31st August, 1907, the number of cars carrying grain was 80,507; for the corresponding period in 1908, 63,978, while for only three months of 1908, from September to November inclusive, the number was 48,898. In southern Alberta and at scattered points elsewhere there have been strong complaints of car shortage, but as a whole the service of the railroads has been better than usual.

The number of homesteads and pre-emptions exceeds all previous records, partly because of the new Land Act, which came into force only on 1st September, since which time a great rush has occurred. The number of entries during the first nine months of the past three years has been as follows:

1906	1907	1908
37,690	23,129	41,963

It seems safe to assert that the new policy of the Dominion Government regarding the desirability or otherwise of those who propose to settle in Canada is bearing good fruit, as those who have taken up land during 1908 have been as a rule of a better class than in previous years. The number of settlers coming into the three provinces during the past year is estimated at 105,000. of whom about 40 per cent. were from the United States.

The population of the three provinces has grown from 414,000 in 1901 to 975,000 in 1908; the value of goods entered at the Customs Department from \$6,200,000 in 1899 to \$26,000,000 in 1907; the number of branch banks from 29 in 1889 to 507 in 1908; the bank clearings from \$107,786,000 in 1899 to \$717,423,000 in 1908.

These figures abundantly illustrate the prosperity of the West, and we may fairly expect that Eastern business dependent on the West will now improve. Still it must be remembered that, owing to the poor crop and the cattle

losses of 1907, the West, so far as its immediate buying power is concerned, is not very much ahead of where it was at the end of 1906. It is sincerely to be hoped that the desire to spend freely and to incur debt will not immediately return, and that some of the lessons in economy may remain permanently impressed upon the people.

BRITISH COLUMBIA.

Depending as this province does on a few very important staple products, and not upon general agriculture or a diversity of manufactures, the decline in trade elsewhere was at once reflected in the demand and prices for such products.

The lumber business has been even less satisfactory than in the East. The demand from the prairie provinces was necessarily very small, owing to poor crops and tight money, and for export little business was possible, and only at unsatisfactory prices. To the extent of the stocks of lumber on hand, and of such logging and lumber or timber making as could not be avoided, losses will be sustained, but, as we have said before, the log is near the mill in the Pacific areas, and therefore adjustment of supply to demand is quickly made. As a consequence, there is already a better outlook, and we may hope to see this important trade in a healthy condition again before long. The value of standing timber has practically not been affected by the stringency in money, although there may have been some speculators who were forced to sell at a concession. Whether the estimate of the total quantity of timber in British Columbia, which I shall give later, is accurate or not, the value of it is so enormous that too much cannot be said in favour of proper forestry regulations. The loss by fire is simply appalling when reduced to money value, and the loss by careless and wasteful operations, both in

the woods and at the mill, seems even more inexcusable, because it might be more easily remedied.

The output of coal in the province, which in 1907 was 2,220,000 long tons, fell to 2,013,000 in 1908, but in view of the fire in the Crow's Nest Pass and the shrinkage in trade, this is not a very serious recession in production. Copper mining ranks next in importance to coal in British Columbia, and the fall in the price of copper is, perhaps, the most noticeable feature in connection with the check to the world's expansion. But, notwithstanding the fact that the copper market has been dull during the whole year, and the price as low as 11 to 13½ cents, as against an average of 20 cents in 1907, the mining and smelting industries of the Boundary district have been actively and even profitably employed. Ore shipments are larger than in 1907 or any previous year; additions are being made to plants to increase the present large daily output, new records in which have been made this year. The two large companies are now able to treat from 150,000 to 175,000 tons monthly. Recent diamond drill borings have confirmed the impression that they have an almost inexhaustible supply of ore, and as the trying time they have experienced as to prices has shown how cheaply they can produce the copper, there seems no reason to fear that this great district will not permanently hold its important place in copper production. There was a moderate increase in the quantity of ore treated or mined at Rossland, but a larger decrease in other Kootenay mines, leaving the totals for eleven months at 386,000 tons, against 417,000 tons for the same period in 1907. The great fall in price of copper, silver and lead has accentuated the difficulties of costly transportation, lack of capital, and sometimes lack of experience, in the various mining fields in British Columbia; yet there is a great deal of activity in them at the present time, and eventually many new mining areas must become important sources of wealth to

the province. Most noticeable among these, both in development work and in railroad building directly connected with mining, are the various areas in Northern British Columbia and the lower part of Yukon, which are more or less tributary to the White Pass and Yukon Railway. It is too early to say anything definite about the ultimate value of the copper and silver properties in these new mining fields, except that with the next rise in copper the mines of that character will doubtless become profitable.

The planting of trees, with a view to future fruit crops, is progressing rapidly, and the fruit produced in 1908 was excellent in quality and in yield. Prices, although generally profitable, were affected by the depression in trade, but the growers suffered mainly from the lack of organization in this comparatively new industry. The very large number of trees now being planted will before long come into bearing, and the perfecting of arrangements for packing, the supply of labour, cheap and rapid transportation, the selection of the best markets, etc., will suddenly become subjects of vital concern. There is an evident improvement in many of these features every year, and we must hope that the railroads will soon be able to give better service at lower rates.

In general farming there is considerable progress, especially in the valley of the Fraser, but British Columbia still buys from Eastern Canada very large quantities of dairy products, eggs and other things, all of which should be produced in the province.

The salmon pack last year was 542,689 cases. This was one of the lean years, but the catch has been considerably larger than that of the corresponding year of 1904. This year the big catch is due. Halibut fishing grows in importance, but, unless our rights are guarded, the advantages are likely to continue to be gained by our neighbours. During 1908 about thirty-nine million pounds of halibut

caught off the coast of British Columbia were shipped to Seattle, as against thirteen million pounds to Vancouver. If the conditions surrounding the catching of these fish by Americans are in all respects within the law, we have no right to complain, but it is claimed that if the law were strictly observed, fishing by American vessels would be practically impossible in any large way. We should have government cruisers in sufficient numbers to protect our rights, and there is no time to be lost in attending to this. These remarks are just as pertinent to the fishing grounds which should be tributary to Prince Rupert as to those in other British Columbia waters.

Taken as a whole, the province has had another year of prosperity and of satisfactory development, looking towards a much enlarged future. It has suffered considerably from the temporary decline in the lumber trade and from the terrible fire in the Crow's Nest Pass. But the rebuilding of Fernie on a larger and more solid basis than ever is significant of the West. Such troubles are but incidents which may delay but cannot stop the growth of the country. In other respects, while trade has been restricted somewhat, as elsewhere, almost all classes have contrived to make or save money. The Provincial Government, so hampered, some years ago, by the smallness of its revenues, collected last year nearly six million dollars in government dues, only about ten per cent. of which was from direct taxation. The revenue in 1903 was only two millions. Victoria continues to grow and Vancouver seems destined to become a great city. Assessed values in Vancouver have risen from \$19,500,000 in 1900 to \$61,700,000 in 1908.

Before passing to the United States, it may be well to repeat the statement recently made by the Census and Statistics Office regarding the quantities and values of the field crops of Canada. The area of these crops exclusive of British Columbia is given as 27,505,663 acres, and the computed value at the average local market price as

\$432,533,000. These figures show an average value per acre for the field crops of the Dominion, of \$15.72.

UNITED STATES.

While it was impossible that the three Pacific states in which we are directly interested should fail to feel the effects of disturbance in the markets elsewhere, the check to business did not become generally acute or lead to widespread financial distress, and conditions are now growing steadily, although slowly, more normal.

The markets for lumber, the depression in which had set in a year ago, were worse than those for any other leading commodity. The larger manufacturers shut down, thus stopping production, but many of the smaller mills could not do so, and a general slaughter in prices took place. The natural difficulties were intensified by the action of the railroads in increasing freight rates to points east of the Missouri River, thus closing these markets to the Pacific Coast lumbermen for the moment. But already the change for the better is most apparent. Most of the larger mills are again running on full time, and with a good supply of orders; freight rates have been somewhat improved; railroads, which were practically not buyers during most of the year, are calling for bids on a large scale; the demand for ordinary building purposes is already very important, and a return to normal conditions in the near future seems assured.

In view of the rapid destruction of timber going on throughout the world, a correspondent of the *London Times*, in a recent article, draws attention to the quantities estimated as still standing in the Pacific Coast areas of North America, as follows:—Oregon, 225 billion feet; Washington, 195 billion; California, 180 billion; British Columbia, 150 billion; Idaho and Montana, 100 billion; a total of 850 billion feet. Canada, as a whole, is credited with 500 to 600 billion feet. The deep interest of the European

world in these last great stands of timber in North America should not be forgotten when we consider our own national future. We may see the forests on which we have placed so much reliance disappear with a rapidity we have not supposed possible. The quantity and value of the lumber produced from the Douglas fir of Oregon and Washington, the sugar pine, the white pine, and the redwood of California, all combined, will illustrate in a startling manner the depletion which is going on, and the enormous money value of these staples:—

	FEET.	VALUE.
Total production 1905 . . .	4,940,000,000	\$ 73,450,000
“ “ 1906 . . .	6,080,000,000	104,200,000
“ “ 1907 . . .	5,200,000,000	85,500,000

Taking all varieties of lumber into account, Washington exceeds all other states in output, the product in 1907 being nearly 4,000,000,000 feet. The total product of the whole United States in 1907 was about 40,000,000,000 feet, with an estimated value of \$666,000,000.

The wheat crop of the three states was much smaller than the unusual crop of 1907. Prices were somewhat higher, partly owing to the large requirements of California, now hardly to be regarded as a wheat-growing state. The export trade was surrounded by several difficulties, one in particular being the fact that the price for home consumption generally exceeded the export price. The trans-Pacific flour trade has experienced a sharp check. Financial difficulties and the further fall in the value of silver in China, the high protective duties placed on wheat and flour in Japan, and high prices at home, have made shipments nearly impossible for the time being. In oats and barley, as well as wheat, the decline in production as compared with 1907, was, roughly speaking, from twenty-five to forty per cent. In hops there has been another serious falling off in acreage and yield, and the results have

been quite unprofitable. Taking Oregon as an example, whereas in 1906 this state produced 160,000 bales, and the United States, as a whole, 365,000 bales, against 137,000 bales in England, in 1908 Oregon only produced 80,000 bales, the United States, as a whole, 200,000 bales, against 291,000 bales in England.

While the early promise of an unusually large fruit crop was not fully borne out, the crop was very large, although the fruit was much smaller than usual. Financial conditions prevented the smaller canners from packing as much as usual; but prices were low, and in consequence, the large canners prepared enormous stocks to be carried over to next year when necessary. An extensive business in shipping fresh deciduous fruit to the Eastern cities is developing. About 12,000 cars of this class of fruit left California in 1908, and about 30,000 cars of citrus fruits. While the fall in price was very great indeed, the year has, except to the small canners referred to, been a good one on the whole, and in citrus fruits one of the best on record. We are unable to obtain statistics regarding the planting of fruit trees in Washington and Oregon, but it is being done on a large scale, and these States, already important as producers, are likely to become still more so in certain kinds of fruit. The year has been exceptionally favourable for producers of sugar, both in the Hawaiian Islands and in California. Crops have been larger than in any previous year, and prices have averaged \$78 per ton of 2,000 pounds, against \$70 in 1907. The Hawaiian crop was 521,000 tons in 1908, as compared with 440,000 tons in 1907. The beet-root sugar crop in California will be about 91,000 tons, against about 72,000 tons in 1907. The total value of the products taken from the soil of California in 1908 makes the astonishing total of \$388,000,000, against \$360,000,000 in 1907. Of this, \$80,000,000 is credited to the forest, and \$55,000,000 to the mine. This leaves \$253,000,000 from the field, orchard, vineyard, dairy, etc.,

and these are avenues of industry which will annually produce a yield in proportion to the intelligent labour of man and the bounty of nature.

Although 1908 was one of the years in which a large catch in salmon was not expected, the catch was larger than in 1907, and the year has been quite satisfactory, packers generally having made money. The market is strong and comparatively bare of stocks—an excellent position for the packers, in view of the large catch due in 1909. The total pack of the whole Pacific Coast from the Columbia River to Alaska, including British Columbia, is estimated at 3,630,000 cases, valued at \$14,000,000.

The yield of petroleum in California has been about 46,000,000 barrels, worth at the well about \$23,000,000, against about 40,000,000 barrels in 1907. The consumption of fuel oil in the state is equivalent to about 4,000,000 tons of coal. The state imported in 1907 883,000 tons of coal, as compared with 1,450,000 tons in 1898. So that if oil had not been discovered in California, and the industries now dependent on it could have been profitably established on the basis of using imported coal, imports of nearly 5,000,000 tons per annum would now be necessary to carry them on.

The trade with Alaska, largely controlled by Seattle, has been less than in previous seasons, partly for financial reasons and partly because of lack of water for mining purposes. The total receipts of gold at the Seattle Assay Office for the nine months ending 31st October were valued at \$17,300,000. These are slightly better results than for 1907.

The financial events of the early part of the last year in the United States have excited too keen attention to demand much comment on our part. During most of the year trade was restricted, not merely as an effect of the panic, but because of the Presidential election. Recently the tendency of trade, as a whole, has been towards im-

provement, but not to the extent hoped for a month or two ago. The inevitable shrinkage in imports, combined with good exports, has caused the excess of exports, which for the ten months ending 31st October, 1907, had been \$292,000,000, to grow to the very large sum of \$502,000,000. Deposits in New York banks, taking a day early in December as an example, have grown from about \$1,000,000,000 in 1906 and 1907 to \$1,400,000,000, and cash reserves from \$250,000,000 in 1906 to \$385,000,000 in 1908. One of the most interesting features of the present contraction is that, while the prices of iron, copper, lead, tin and cotton have all fallen sharply to meet the lessened demand, beef, lard, wheat, flour, Indian corn, oats and sugar are all higher than in 1906 and 1907, because of the short supply of food-stuffs throughout the world.

There should be nothing in connection with the business position of the United States so deeply interesting to the European world and to Canada as the possibility of reform in their banking and currency systems. This has been discussed with fluctuating interest during so many years, that doubt as to their willingness to grapple with these extremely difficult and complex problems naturally arises. The fact, however, remains that we are at present liable to periodic disturbance of the world's finances to a degree quite unnecessary, because in that great country, notwithstanding its wonderful organization for other industrial purposes, the machinery does not exist for managing the credit transactions of the people without periodical panics. Let us hope that the present Currency Commission will really produce results.

The motion for the adoption of the Report was then seconded by the Vice-President, and carried unanimously.

The President: I will now ask you to listen to Mr. Lash, who will move a resolution regarding the by-laws.

Mr. Z. A. Lash, K.C.: The shareholders are aware that under the Bank Act there are certain specified matters, by-laws regarding which are passed by the shareholders. These by-laws have been amended many times, and it was thought well to consolidate and revise them.

By-laws from I to VII have not been changed, except in a few phrases.

Up to last year the Pension Fund was operated directly under the authority of the Directors, but, inasmuch as the employees of the Bank have now a very substantial interest in this fund, through having contributed a certain percentage out of their salaries, it was thought wise to transfer the administration, care, oversight and investment of the fund to a Board of Trustees consisting of officers of the Bank. While, therefore, the future management of the fund is left to this Board of Trustees, it was thought wise that the Directors should retain a certain control over the matter. It was also felt that changed conditions might arise, as the years go by, which would not be provided for by the trust deed. We, therefore, propose to make an addition to by-law No. VII, as follows: "The Directors, for special reasons to be stated in their resolution, may grant to any person in the employ of the Bank, in addition to or in substitution for any allowance under the Rules and Regulations of the Pension Fund, such retiring allowance as they may decide." You will notice that before the Directors can exercise this power they must have special reasons for so doing, and must set them out in their resolution.

The next by-law is new. From year to year the Bank has contributed to certain public, patriotic and special purposes, certain sums, which have to be submitted to the shareholders at the annual meeting for their approval. This has now become almost an annual occurrence, and as there is a call upon the Bank from time to time to recognize the inherent duty which it owes to the community

by contributing to certain special, unexpected and deserving objects, the shareholders are now asked to pass a by-law which, I think, will cover this point:

"VIII. The Directors may from time to time contribute to public, patriotic or charitable objects sums not exceeding \$5,000 in all in any one year."

I now beg to move, seconded by Dr. Hoskin, that by-laws I to IX, as read to this meeting, be, and the same are, hereby enacted as the by-laws of The Canadian Bank of Commerce.

Dr. Hoskin: I have much pleasure in seconding that resolution.

The President: You have heard the resolution. May I add this, that there may be years in which we may be called upon for a larger sum than that mentioned here. We shall expect upon each of such occasions to come to the shareholders for their concurrence.

Mr. F. C. Bruce: I will now move that the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank. I am sure that the admirable Report which has been read to us leaves no room for criticism. All we can expect and hope for is that we will have just as good a showing at the end of this year.

Mr. Henry Beatty: I have much pleasure in seconding the motion.

The President: While this may seem a perfunctory resolution, I am sure that we do not so consider it, and it is appreciated very much by the Board.

Mr. Davidson: I think the next resolution deserves special notice and attention. I move:—That the thanks of the meeting be tendered to the General Manager, the Superintendent of Branches and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months

We have looked at the financial statement which has been presented to us, but I am quite sure that there are very few of us who have any conception of what it is to manage 122 millions of assets, and the mention of that sum does not seem to me to bring to our minds any adequate idea of what it really involves. I have never been a banker, but I have seen enough of banking and other business to know that it means the turning over of that sum a number of times every twelve months, and with the greatest possible care, that the losses may be as small as possible.

Everyone must be satisfied with the courtesy which is extended to the customers of the Bank. It is over thirty years since I first became a customer of The Canadian Bank of Commerce, and I have yet to learn of anyone being treated with any want of courtesy. Its managers have been men of ability, resource and intelligence, and have been willing to use these qualities not merely for the benefit of the Bank, but also for the good of their customers. That is one reason why The Canadian Bank of Commerce has developed as it has. The other officers of the Bank have done their duty, and I think they well deserve a hearty vote of thanks.

Mr. F. J. D. Smith: I have much pleasure in seconding this motion. I am glad to endorse what has been said with reference to the courtesy of the staff.

Mr. Laird: I am sure that it is always gratifying to have this resolution passed at this meeting. We think that probably the rank and file of the Bank's staff would feel somewhat discouraged and disappointed if this recognition of their efforts throughout the year was not made. They endeavour to do their full duty with loyalty to the Bank. It is a rather difficult matter to manage a bank of this size, and probably the most onerous duty that we have to perform is to look after the staff. We try to make every young man who comes into the Bank believe

that he will receive every encouragement. We believe that we have done well during the past year, and we recognize and appreciate your thanks, and go forward with the determination still to show our loyalty in good service to The Canadian Bank of Commerce.

In the course of our arrangements we have found it advisable to make a geographical division of the work of the Bank, and it has given us very great pleasure and satisfaction to appoint Mr. Aird Superintendent of Central Western Branches. I will ask him to add a few words in reply to this resolution.

Mr. Aird: On behalf of the officers in the Central Western district, I can assure the shareholders that the resolution is not looked upon by any of them as an empty compliment. I am sure that there would be a feeling of disappointment if they were to omit this from the minutes of their annual meeting.

The men in Western Canada have many difficult positions to fill. The country is new, and home comforts are not always to be got. Still, I have yet to meet the man in Western Canada who has failed to respond to the Bank's call—in fact, the men out there regard themselves almost as soldiers, with their knapsacks strapped on their backs, ready to go at a moment's notice.

Mr. H. D. Warren: I have much pleasure in moving: That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be opened and remain open until two o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. E. R. Wood: I second the resolution.

The meeting was then adjourned, and the scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year: B. E. Walker,

C.V.O., LL.D., Robert Kilgour, Hon. George A. Cox,
M. Leggat, James Crathern, John Hoskin, K.C., LL.D.,
J. W. Flavelle, LL.D., A. Kingman, Hon. L. Melvin Jones,
Frederic Nicholls, H. D. Warren, Hon. W. C. Edwards,
Z. A. Lash, K.C., E. R. Wood.

At a meeting of the newly elected Board of Directors,
held subsequently, Mr. B. E. Walker was elected Presi-
dent, and Mr. Robert Kilgour, Vice-President.





FORT WILLIAM, ONT.



THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1909



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP \$10,000,000
REST 6,000,000

DIRECTORS:

B. E. WALKER, Esq., C.V.O., LL.D. - - -	PRESIDENT
Z. A. LASH, Esq., K.C., LL.D. - - -	VICE-PRESIDENT
JAMES CRATHERN, Esq.	HON. L. MELVIN JONES
HON. GEO. A. COX	HON. W. C. EDWARDS
JOHN HOSKIN, Esq., K.C., LL.D.	E. R. WOOD, Esq.
ROBERT KILGOUR, Esq.	HON. J. M. GIBSON, K.C., LL.D.
J. W. FLAVELLE, Esq., LL.D.	WM. McMASTER, Esq.
A. KINGMAN, Esq.	ROBERT STUART, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H N. WALLACE, Esq., Chairman	
C. W. ANDERSON, Esq.	W. J. G. THOMSON, Esq.
JOHN MACNAB, Esq.	W. N. WICKWIRE, Esq.

CHARLOTTETOWN BOARD:

WM. A. WEEKS, Esq., Chairman	
F. R. HEARTZ, Esq.	A. P. PROWSE, Esq.

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THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

B. E. WALKER, C.V.O., LL.D. PRESIDENT

ALEXANDER LAIRD GENERAL MANAGER

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

JOHN AIRD, Superintendent of Central Western Branches

V. C. BROWN, Chief Inspector

D. A. CAMERON and J. P. BELL, Inspectors

WM. HOGG and C. GORDON, Assistant Inspectors

T. F. ASPDEN, Supervisor of Banking Accounts and Exchanges

A. ST. L. TRIGGE, Secretary

BRANCHES

BRITISH COLUMBIA AND YUKON—

CRANBROOK	R. T. BRYMNER	Manager
CRESTON	P. B. FOWLER	"
DAWSON	D. M. SANSON	"
FERNIE	L. A. S. DACK	"
GREENWOOD	J. T. BEATTIE	"
KAMLOOPS	C. W. HALLAMORE	"
LADYSMITH	L. M. DEGEX	"
MISSION CITY	K. V. MUNRO	"
NAKUSP	H. L. ROTHWELL	"
NANAIMO	E. H. BIRD	"
NELSON	J. L. BUCHAN	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	J. J. HUNTER	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCE GEORGE	A. J. MARLOW	"
REVELSTOKE	A. H. ALLEN	"
VANCOUVER	WILLIAM MURRAY	"
Do. EAST	C. W. DURRANT	"
Do. FAIRVIEW	E. W. CARR HILTON	"
Do. PARK DRIVE	C. R. W. POOLEY	"
VICTORIA	{ G. GILLESPIE	"
	{ F. L. CRAWFORD	Asst. Mgr.
WHITE HORSE	D. ROSS	Manager

WESTERN PROVINCES—

BAWLFP, ALTA	G. F. P. GRAY	Act. Mgr.
BRANDON, MAN.	A. MAYBEE	Manager
BRODERICK, SASK.	H. W. MARLING	"
CALGARY, ALTA.	C. W. ROWLEY	"
Do. EAST	"	"
Do. SOUTH	"	"
CANORA, SASK.	G. G. BOURNE	"
CARMAN, MAN.	F. J. MACOUN	"
CARMAN, JAY, ALTA.	H. G. HURLBURT	Act. Mgr.
CLARESHOLM, ALTA.	W. A. CORNWALL	Manager
CROSSFIELD, ALTA.	JAMES CAMERON	"
DUNUPHIN, MAN.	D. H. DOWNIE	"
DELISLE, SASK.	A. A. C. SELPE	"
DRINKWATER, SASK.	H. H. LOWE	"
DURBAN, MAN.	W. E. D. FARMER	"
EDMONTON, ALTA.	T. M. TURNBULL	"
ELBOW, SASK.	R. P. MORRISON	"
ELFROS, SASK.	A. J. MAYNARD	"
ELGIN, MAN.	H. L. WETHEY	"
ELKHORN, MAN.	R. H. BROTHERHOOD	"

BRANCHES—Continued

GILBERT PLAINS, MAN.	C. A. MERCER	Manager
GLRICHEN, ALTA.	W. R. McKIE	"
GRANDVIEW, MAN.	F. W. DE MILLE	"
GRANUM, ALTA.	THOMAS ANDREWS	"
HARDISTY, ALTA.	W. R. ALGER	"
HAWARDEN, SASK.	H. E. MILLER	"
HERBERT, SASK.	R. N. SHAW	"
HIGH RIVER, ALTA.	A. G. VERCHÉRE	"
HUMBOLDT, SASK.	E. R. JARVIS	"
INVISPAIL, ALTA.	WM HILBORN	"
INNISFREE, ALTA.	W. J. F. ROSS	Act. Mgr.
KAMSACK, SASK.	C. L. MILES	"
LANGHAM, SASK.	A. W. WHITE	Manager
LANGAN, SASK.	B. P. ALLEY	"
LASHBURN, SASK.	J. H. DENT	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LLOYDMINSTER, SASK.	H. B. HAINES	"
MACLEOD, ALTA.	W. G. LYNCH	"
MEDICINE HAT, ALTA.	H. M. STEWART	"
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. N. STRANG	"
MILESTONE, SASK.	W. J. SAVAGE	"
MILK RIVER, ALTA.	A. J. BURNSIDE	"
MONARCH, ALTA.	C. H. ANDERSON	"
MOOSEJAW, SASK.	E. M. SAUNDERS	"
MOOSOMIN, SASK.	D. I. FORBES	"
NANTON, ALTA.	C. F. A. GREGORY	"
NEEPAWA, MAN.	C. BALLARD	"
NOKOMIS, SASK.	K. W. REIKIE	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
OLDS, ALTA.	W. C. DUNCAN	"
OUTLOOK, SASK.	H. W. MARLING	"
PINCHER CREEK, ALTA.	D. H. GORDON	"
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	A. L. HAMILTON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	F. W. WEST	Act. Mgr.
RADISSON, SASK.	C. CADY	Manager
RED DEER, ALTA.	W. L. GIBSON	"
REGINA, SASK.	H. F. MYTTON	"
RIVERS, MAN.	R. M. SAUNDERS	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
SHELLBROOK, SASK.	R. H. NEILSON	Act. Mgr.
STAVELY, ALTA.	W. H. MARTIN	"
STONY PLAIN, ALTA.	J. O. MacCALLUM	Manager
STRATHCONA, ALTA.	G. W. MARRIOTT	"
STRATHMORE, ALTA.	J. S. BARKER	"
SWAN RIVER, MAN.	J. A. SMITH	"
TREHERNE, MAN.	J. S. MUNRO	"
TUGASKE, SASK.	C. S. FREEMAN	"
VEGREVILLE, ALTA.	W. P. PERKINS	"
VEF MILION, ALTA.	A. F. TURNER	"
VIRDEN, MAN.	F. C. WHITEHOUSE	"

BRANCHES—Continued

VONDA, SASK.	J. C. KENNEDY	Manager
WADENA, SASK	A. L. JENSEN	"
WARNER, ALTA.	A. J. BURNSIDE	"
WATROUS, SASK.	A. M. ANDREWS	"
WATSON, SASK.	HENRY KEER	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. S. SWINFORD	"
WILCOX, SASK.	H. J. WHITE	"
WINNIPEG, MAN.	{ JOHN AIRD	
	{ R. A. RUMSEY	Asst. Mgr.
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE ST.	"	"
Do. ELMWOOD	F. C. BIGGAR	Act. Mgr.
Do. FORT ROUGE	G. M. PATTERSON	Manager
Do. NORTH	H. W. TRENHOLME	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
YELLOWGRASS, SASK.	C. HENSLEY	"
YORKTON, SASK.	H. L. EDMONDS	"

ONTARIO AND QUEBEC—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	W. C. JOHNSTON	"
BRANTFORD	H. W. FITTON	"
CAYUGA	J. L. BARNUM	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	C. D. NEVILL	"
CREDITON	G. W. HARRISON	"
DRESDEN	H. G. MATHEWSON	"
DUNDAS	F. C. G. MINTY	"
DUNNVILLE	G. E. PARKES	"
ELK LAKE	W. H. COLLINS	"
EXETER	G. W. HARRISON	"
FOREST	H. E. TYLOR	"
FORT FRANCES	F. M. GIBSON	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	R. S. WILLIAMS	"
GOWGANDA	J. P. TAILOR	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
KINGSTON	P. C. STEVENSON	"
LATCHFORD	J. A. CLARK	"
LINDSAY	H. A. HOLMES	"
LONDON	JEFFERY HALE	"
MONTREAL	{ H. B. WALKER	
	{ WM. LEGGAT	Asst. Mgr.
Do. WEST END	H. B. PARSONS	Manager
ORANGEVILLE	W. H. LUGSDIN	"

BRANCHES—Continued

OTTAWA		ROBERT GILL	Manager
Do.	BANK ST.	C. R. ARMSTRONG	"
PARIS		R. C. MACPHERSON	"
PARKHILL		T. L. ROGERS	"
PARRY SOUND		H. C. MORRIS	"
PETERBORO		D. HUGHES CHARLES	"
PORT ARTHUR		A. W. ROBERTS	"
PORT PERRY		J. McE. MURRAY	"
QUEBEC		W. H. DUNSPORD	"
RAINY RIVER		H. W. GRAHAM	"
ST. CATHARINES		R. G. W. CONOLLY	"
SARNIA		A. D. McLEAN	"
SAULT STE. MARIE		GEORGE WILLIAMS	"
SEAFORTH		W. C. T. MORSON	"
SIMCOE		W. C. J. KING	"
STRATFORD		WM. MAYNARD	"
STRATHROY		L. H. DAMPIER	"
THEDFORD		J. FULLER	"
TORONTO		{ M. MORRIS	
Do.	BLOOR AND YONGE	C. CAMBIE	Asst. Mgt.
Do.	COLLEGE & DOVERCOURT	JAMES BRYDON	Manager
Do.	GERRARD AND PAPE	H. F. D. SEWELL	"
Do.	MARKET	J. M. HEDLEY	"
Do.	PARKDALE	T. A. CHISHOLM	"
Do.	PARLIAMENT ST.	W. A. COOKE	"
Do.	QUEEN AND BATHURST	A. H. CREASE	"
Do.	QUEEN EAST	E. M. PLAYTER	"
Do.	SPADINA AND COLLEGE	J. M. HEDLEY	"
Do.	YONGE AND COLLEGE	H. F. D. SEWELL	"
Do.	YONGE AND QUEEN	G. C. T. EMBERTON	"
WALKERTON		H. C. RAB	"
WALKERVILLE		H. M. LAY	"
WATERLOO		A. W. RIDOUT	"
WEST TORONTO		J. MOORMAN	"
WIARTON		J. B. McCUAIG	"
WINDSOR		G. A. HOLLAND	"
WINGHAM		E. P. GOWER	"
WOODSTOCK		D. DAVIES	"
		F. CROSSLEY	"
MARITIME PROVINCES—			
ALBERTON		W. C. LAWSON	Manager
AMHERST		J. H. MORRISON	"
ANTIGONISH		W. H. HARRISON	"
BARRINGTON		F. W. HOMER	"
BRIDGEWATER		H. C. DUNCAN	"
CHARLOTTETOWN		F. E. DENCH	"
HALIFAX		D. MACGILLIVRAY	"
MIDDLETON		C. W. MONTGOMERY	"
MONTAGUE		L. H. COFFIN	"
NEW GLASGOW		B. DEVEBER	"
PARRSBORO		A. E. CURRIE	"
ST. JOHN		F. D. FRANCIS	"

BRANCHES—Continued

SHELBURNE	T. W. MAGEE	Manager
SOURIS	J. H. McQUAID	"
SPRINGHILL	E. B. FAIRBANKS	"
SUMMERSIDE	R. T. MUSSEN	"
SYDNEY	E. B. IRELAND	"
TRURO	S. N. MOFFAT	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	{ WM. GRAY C. D. MACKINTOSH }	Agents
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO	G. W. B. HEATHCOTE	"
SEATTLE	G. V. HOLT	"
SKAGWAY	W. T. WHITE	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.

H. V. F. JONES	Manager
A. R. PHIPPS	Asst. Manager

BANKERS AND THEIR CORRESPONDENTS

GREAT BRITAIN AND IRELAND—

Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; Lancashire Bank, Ltd.; Manchester and Liverpool District Banking Co., Ltd.; British Linen Bank; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.; Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.

UNITED STATES—

NEW YORK—The American Exchange National Bank, The Chase National Bank; ALBANY—The New York State National Bank; BOSTON—The National Shawmut Bank, The Second National Bank; BUFFALO—The People's Bank of Buffalo; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The First National Bank; DENVER—The Denver National Bank; DETROIT—The Peoples-State Bank, The First National Bank; LOS ANGELES—The Farmers and Merchants National Bank, The Citizens National Bank; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; ST. LOUIS—The Mechanics-American National Bank; ST. PAUL—The National German American Bank; SALT LAKE CITY—The Deseret National Bank; SPOKANE—The Traders National Bank; TACOMA—The Bank of California.

AUSTRIA—

Anglo-Austrian Bank.

BELGIUM—

J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.

DENMARK—

Den Danske Landmandsbank, Copenhagen.

FRANCE—

Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.

GERMANY—

Deutsche Bank; Direction der Disconto-Gesellschaft.

HOLLAND—

Twentsche Bankvereniging, Amsterdam; Disconto Maatschappij, Rotterdam.

ITALY—

Banca Commerciale Italiana.

SWITZERLAND—

Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking Corporation.

SOUTH AFRICA—

Standard Bank of South Africa, Ltd.; Bank of Africa, Ltd.

AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.

HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

SOUTH AMERICA—

British Bank of South America, Ltd.; London and Brazilian Bank, Ltd. Anglo-South American Bank, Ltd.

MEXICO—

Banco de Londres y México; Banco Nacional de México.

WEST INDIES—

Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.

BERMUDA—

Bank of Bermuda, Ltd., Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1909

LIABILITIES

Notes of the Bank in circulation.....	\$ 10,327,415 68	
Deposits not bearing interest.....	\$31,294,540 64	
Deposits bearing interest including interest accrued to date....	89,192,438 34	
		120,486,978 98
Balances due to other Banks in Canada.....		238,697 58
Balances due to other Banks in foreign countries.....		1,020,847 70
Dividends unpaid.....		2,403 69
Dividend No. 91, payable 1st December.....		200,000 00
Capital paid up.....	\$10,000,000 00	
Rest.....	6,000,000 00	
Balance of Profit and Loss Account carried forward.....	722,139 02	
		16,722,139 02
		\$148,998,482 65

ASSETS

Coin and Bullion.....	\$ 7,509,018 24	
Dominion Notes.....	8,966,895 50	
		\$16,475,913 74
Balances due by Agents of the Bank in the United Kingdom..	4,125,986 68	
Balances due by other Banks in foreign countries.....	3,666,272 37	
Balances due by other Banks in Canada.....	29,420 01	
Notes of and Cheques on other Banks.....	5,693,791 20	
		13,515,470 26
Call and Short Loans in Canada.....	6,724,495 52	
Call and Short Loans in the United States.....	21,065,630 64	
Government Bonds, Municipal and other Securities	7,194,886 08	
Deposit with Dominion Government for security of Note circulation.....		450,000 00
		\$65,426,396 24
Loans to other Banks in Canada, secured.....	774,798 39	
Other Current Loans and Discounts.....	80,342,096 93	
Overdue Debts (loss fully provided for).....	129,853 19	
Real Estate (other than Bank Premises).....	23,201 83	
Mortgages.....	143,650 94	
Bank Premises.....	2,000,000 00	
Other Assets	158,485 13	
		\$148,998,482 65

ALEXANDER LAIRD
General Manager

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS OF THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 11TH JANUARY, 1910

The forty-third Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 11th January, 1910, at 12 o'clock.

Among those present were:—

Robert Kilgour, Hon. Geo. A. Cox, J.W. Flavelle, LL.D., Hon. L. Melvin Jones, Z. A. Lash, K.C., LL.D., E. R. Wood, Hon. J. M. Gibson, K.C., LL.D., Edward Cronyn, H. C. Cox, J. L. Blaikie, James E. Baillie, David Smith, H. L. Watt, Thomas Gilmour, J. Short McMaster, Geo. A. Somerville, R. C. Carlyle, W. G. Carlyle, H. C. Rae, S. Nordheimer, J. O. Buchanan, F. H. Deacon, E. Douglas, Mark Sparkhall, J. C. Sinclair, W. E. Rundle, W. T. White, J. M. Hedley, W. A. Cooke, H. F. D. Sewell, Massey Morris, C. Cambie, E. W. Cox, J. L. Watt, T. Walmsley, Trumbull Warren, R. Cassels, W. K. George, L. J. Cosgrave, W. Davidson, D. B. Hanna, W. B. Meikle, W. T. Boyd, J. E. Atkinson, R. Harmer, W. Garside, Miss H. M. Robinson, A. E. Kemp, W. H. Lockhart Gordon, Alexander Bruce, K.C., Dr. Andrew Smith, H. P. Dwight, J. S. Lovell, G. F. Beer, A. J. Glazebrook, John A. Morton, Col. Sir Henry M. Pellatt, Richard Brown, Frank A. Rolph, Dr. J. H. Carrique,

J. M. Clark, K.C., Charles Niehaus, Stewart Houston,
F. Wyld, A. E. Dymont, R. Mulholland, J. A. Hedley;
A. Kingman, Montreal; Hon. W. C. Edwards, Ottawa;
William McMaster, Montreal; William Cook, Carrville;
Robert Stuart, Chicago; George Murray, West Toronto;
John A. Bruce, Hamilton; T. M. Turnbull, Edmonton;
F. C. Bruce, Hamilton; H. R. Davidson, New Westminster;
W. A. Murray, Montreal; J. M. Christie, Prince Rupert;
L. H. Dampier, Strathroy; W. C. Johnston, Blenheim;
H. A. Holmes, Lindsay; C. G. K. Nourse, Lethbridge;
C. W. Rowley, Calgary; W. P. Kirkpatrick, Saskatoon;
E. M. Saunders, Moosejaw; H. M. Stewart, Medicine Hat;
H. F. Mytton, Regina; Kenneth McKenzie, Winnipeg;
G. W. Marriott, Strathcona; H. W. Fitton, Brantford;
John Aird, Winnipeg; J. McE. Murray, Port Perry;
H. M. Lay, Walkerton; W. W. Tamblyn, Bowmanville;
W. C. J. King, Simcoe; W. H. Lugsdin, Orangeville;
S. H. Logan, Cobalt; R. G. W. Conolly, St. Catharines;
C. E. A. Dowler, Calt; G. W. B. Heathcote, San Francisco;
C. M. Stork, Belleville; A. W. Robarts, Port Arthur;
E. N. White, Calgary; A. W. Ridout, Walkerville;
John Leggat, Hamilton; R. C. Macpherson, Paris;
T. L. Rogers, Parkhill; R. S. Williams, Goderich;
G. W. Harrison, Exeter; E. P. Gower, Windsor, Ont.;
D. B. Dewar, Hamilton; W. H. Collins, Latchford;
Jeffery Hale, London; G. E. Parkes, Dunnville;
H. B. Walker, Montreal; W. C. Hawkins, Hamilton;
R. Gill, Ottawa; Mr. and Mrs. F. J. D. Smith, Newtonbrook;
D. Macgillivray, Halifax; F. B. Francis, St. John;
E. B. Ireland, Sydney; H. B. Parsons, Montreal;
W. H. Martin, Stavely; W. J. Savage, Milestone;
G. M. Wedd, Berlin; C. M. Gipton, St. Catharines;
W. Maynard, Stratford; J. E. Belcher, Peterboro;
A. D. McLean, Sarnia; Rev. T. W. Paterson, Deer Park;
J. F. Langan, Vancouver; D. H. Charles, Peterboro;
W. J. Bell, Saskatoon; J. M. Duff, Guelph.



KINGSTON, ONT.



The President, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. Edward Cronyn and A. J. Glazebrook were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:—

REPORT

The Directors beg to present to the Shareholders the forty-third Annual Report, covering the year ending 30th November, 1909, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 161,244 88
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,510,695 86
Amount recovered from over-appropriations in connection with assets now realized.....	300,000 00
	<u>\$1,971,940 74</u>

This has been appropriated as follows:

Dividends Nos. 88, 89, 90 and 91, at Eight per cent. per annum.....	\$ 800,000 00
Written off Bank Premises.....	419,801 72
Transferred to Pension Fund (annual contribution).	30,000 00
Balance carried forward.....	722,139 02
	<u>\$1,971,940 74</u>

The assets of the Bank have all been carefully re-valued in accordance with our customary practice, and all bad and doubtful debts have been amply provided for.

Your Directors deeply regret that they have to record the loss by death during the past year of two of their number, Mr. H. D. Warren, who died in March, and Mr. Matthew Leggat, who died only a few days ago. To fill the vacancy caused by Mr. Warren's death, your Directors have elected the Hon. J. M. Gibson, K.C., LL.D., Lieutenant-Governor of Ontario.

For the purpose of making some provision for the widows and orphans or other dependents of officers of the Bank, your Directors propose to submit for your consideration a resolution authorizing the establishment of the necessary fund.

During the year the following branches have been opened: In Ontario—Elk Lake, Gowganda, College and Dovercourt (Toronto), Gerrard and Pape (Toronto); in Manitoba—Virden; in Saskatchewan—Broderick, Elfros, Hawarden, Herbert, Milestone, Shellbrook, Wilcox and Yorkton; in Alberta—East Calgary, South Calgary, Carmangay, Olds, Provost, Strathmore and Warner; and in British Columbia—Nakusp. The branches at DeLorimier, Que., and Van Ness and Eddy (San Francisco) have been closed. A branch has been opened at Milk River, Alta., since the close of the Bank's year.

The usual thorough inspection of the branches and agencies of the Bank in Canada, the United States and Great Britain, and of the various departments of the Head Office has been made during the year.

Your Directors desire again to record their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

B. F. WALKER

TORONTO, 11th January, 1910

President

In moving the adoption of the Report, the President requested the General Manager to address the shareholders:

GENERAL MANAGER'S ADDRESS.

As has been foreshadowed by the easy position of the money market during the greater part of the year under review—the outcome of a general disposition to continue the liquidation of old obligations and of a lack of desire to engage in new undertakings, which resulted in a large accumulation of funds at important centres—the profits of the Bank show a decrease of \$116,636.92, as compared with the figures of the previous year. They are, however, somewhat in excess of 15 per cent. on the paid-up capital, and we believe that you will not consider this an unsatisfactory showing. Had it not been for the quickening in general trade which occurred during the last three months of the year, and which was no doubt accelerated by the bountiful harvest reaped in the Western Provinces, the decrease would inevitably have been much larger. The surplus of funds not needed for the ordinary commercial requirements of the country, and the large amounts which came to us through the sale of securities abroad, were temporarily loaned in New York; and as rates ruled low for a long period, the resulting profit was not entirely satisfactory; but the results of the policy we have pursued in regard to holding a considerable amount in reserve on quick call, even at low rates, have again justified the wisdom of such a course.

The year has been one of gradual recovery in trade, accompanied by a general appreciation of values, and we have been fortunate in this respect in recovering from assets in connection with which appropriations had previously been made the sum of \$300,000. This sum added to the ordinary earnings of the year has enabled us, after paying the usual dividend and providing for the annual contribution to the Pension Fund, to write \$419,801.72

of Bank Premises Account, and to carry forward \$722,139.02 in Profit and Loss Account.

This autumn we have for the first time made use of the provisions of the Bank Act amendment of 1908, which empowers the banks during the grain-moving season to issue circulating notes in excess of their paid-up capital to the extent of 15 per cent. of the total of paid-up-capital and surplus combined. At the close of our year the Bank's circulation stood at \$10,327,415, an increase of more than \$686,000 over the figures of the previous balance sheet. The highest amount of the excess circulation of this Bank during the past two months has been \$994,000. The wisdom of this provision for additional circulation has been signally demonstrated by the ease with which the necessary circulating medium has been provided for the movement of last year's abundant harvest, and we had no hesitation in exercising our right to take advantage of this provision, although it entailed a loss which might have been avoided by withholding our own circulation and paying out sundry notes of other banks. It is clear that unless arrangements are shortly made for additional circulation by increase of capital, a situation may arise in which a struggle to reduce the amount outstanding at the end of January to within the limit of paid-up capital will become inevitable, and if this becomes at all general, it is not likely to be accomplished without considerable disturbance to business.

The increase in deposits during the year amounted to \$25,449,182, the largest annual increase in the history of the Bank, and an amount exceeding the total of its deposits only eleven years ago. An important part of this sum, however, consists of deposits known to be temporary, this class of deposits having probably reached a higher level than ever before. Concurrently with this large increase of deposits our loans have increased \$21,500,689, and we have nearly \$10,000,000 in excess of the figures of last year employed at call or short notice. We also

hold \$3,388,571 more cash than a year ago, but this increase is only in proportion to the addition to our liabilities.

At the annual meeting of shareholders in January, 1907, we explained at some length the policy which was being pursued by your Directors in the matter of investments in bank premises, and we then reported that a subsidiary company had been formed under the name of the Dominion Realty Company, Limited, to construct and own our smaller buildings, the funds required by this Company over and above the amounts received from the sale of its bond issues being supplied by the Bank's subscriptions to its capital stock, such subscriptions in every year being less than the total amount written off Bank Premises Account. As we have been called upon since the date mentioned to make large expenditures upon the Bank's new buildings at Montreal and Vancouver, besides considerably increasing our investment in the Realty Company on account of smaller buildings, a revised statement of our total investment in connection with bank premises as at 30th November last will be of interest to the shareholders:—

The lands and buildings owned by the Bank (carefully appraised and full allowances made for depreciation of buildings) are valued at.....	\$3,173,000
The Bank's holding in the Dominion Realty Company, although the cost thereof has been entirely written off the Bank's books, represents a cash investment of.....	1,091,000
<small>(The rentals of the buildings built by the Realty Company will in 15 years discharge the respective bonds.)</small>	
Safes and fixtures (depreciation liberally allowed for) are valued at.....	560,000
Total.....	<u>\$4,824,000</u>

From this statement it will be noted that our investments on Bank Premises Account are now shown in the balance sheet at only 41 per cent. of their value, namely, at \$2,000,000. We shall shortly have to undertake another large expenditure in connection with the erection of a larger building at Winnipeg, and the increase of branches incidental to the growth of the country will for some years necessitate our making considerable outlays of a similar kind on premises. With the completion of our Winnipeg office, however, our large individual expenditures will be almost at an end, and thereafter your Directors propose that the Bank's investments in Premises Account shall be carried at a figure not exceeding 50 per cent. of their value.

In view of the remarkable prosperity with which this Bank has been favoured during the past few years, we must reckon with the question as to what our duty is to those who have entrusted us with the investment of a large capital. During what may be called the formative period of the Bank we have asked the shareholders to accept a reasonable dividend while we endeavoured to lay the foundations of a safe and permanent business. In the management of our Bank we have had a two-fold purpose: first, the permanence and continuity of a service to the country which must bear some relation to our duty, and, second, the successful administration of your property, looking to its earning power now and in the future. With these purposes in view we have had the courage to adopt the policy of erecting a large number of branch buildings, for the time being taxing your profits. It cannot in justice be said that what we have done has exceeded our requirements, or that we could safely have delayed this important work. Our reports indicate what we have accomplished, and we believe that candid consideration will bring a conviction that we pursued the proper course. While there may be some who think we should have been satisfied with a more moderate expendi-

ture, to have done less would have shown us recreant to our trust. The results are seen in our splendid equipment of buildings from ocean to ocean, certainly creditable to our institution.

Nevertheless, we should not forget that you have been exceptionally patient with us in the working out of our plans, and we think the time has now come when the increment from your investment should be larger. It is our purpose to recommend during the coming year an increase of dividend to nine per cent. per annum. With the earnest expectation that our prosperity will before long justify a further increase.

We are not ignorant of the fact that our success would not be possible but for the active, intelligent and loyal support of our staff, and we have always had the heartiest co-operation of your Directors in every proposal for the well-being of the service. We cannot hope to perpetuate our business without giving the greatest consideration to those who carry the heavy burdens of management, and while there is a grateful acknowledgment of past recognition, a desire has been expressed for the establishment of a Widows' and Orphans' Fund in connection with the regular Pension Scheme, which will do much to cement the pleasant relations so long a distinguishing feature in our Bank.

There are no doubt many difficult problems to face in the immediate future, but we have every reason to look forward with the greatest confidence. At the moment all evidences point to a continuation of prosperity, so far as this country is concerned, and we believe the political unrest and financial uncertainty in other lands will be so adjusted that, while we cannot avoid feeling their influence in our affairs, we are not likely to experience any permanent disadvantage.

The President then spoke as follows:—

PRESIDENT'S ADDRESS.

The statement we have laid before you, the General Manager's comments thereon and his suggestions as to our future, strike the keynote for most things that can be said about Canada during the past year. We are recovering from the world-wide stringency of 1907 almost too rapidly, and in marked contrast to the years following the panic of 1893. We certainly are not able to discover all the reasons for the remarkable difference between the two periods, but prominent among them, doubtless, are the celerity with which the trading nations of the world now act together when a money stringency arises, the continued large production of gold and the fact that there has been no general re-adjustment of prices, and therefore comparatively few failures. In the case of Canada there are some additional reasons. We are now fairly well advertised in Europe and still better in the United States, and we represent Opportunity to many of those who have energy out of proportion to their surroundings. This is attracting the immigrant as fast as we can settle him, the capitalist seeking industrial ventures, and, still more, the capitalist seeking securities. The first of these two classes of capitalists still comes mainly from the United States, and the second from Europe, but they are not quite so sharply divided as heretofore. With a very large number of new settlers, many new industries and abundant capital, we needed only good crops and the prevailing high prices for food stuffs to accelerate our usual rate of progress.

During the early part of the year the volume of business was considerably smaller than usual and profits were much lessened thereby, but apparently our industries have not had as much to bear in these respects as those of the United States. Prices and the volume of trade, here and in the United States, have both improved until conditions

are now, doubtless, almost as favourable as before the stringency. These facts are, of course, reflected in our clearing house returns and in the totals of our foreign trade. The total bank clearings of the fourteen Canadian clearing houses for 1909 are \$5,204,000,000, against \$4,142,000,000 in 1908—a gain of 25 per cent. over 1908 and of 20 per cent. over the previous high record of 1907. In 1901 the figures for the eight clearing houses then existing were \$1,871,000,000, and, comparing this with the same cities in 1909, the growth has been 150 per cent. in eight years. During this period the growth in Montreal has been 110 per cent., in Toronto 140 per cent., in Winnipeg 474 per cent., and in Vancouver 515 per cent. In 1909 Montreal represented 35.8 per cent. of the whole clearings, Toronto 27.6 per cent., Winnipeg 14.8 per cent., and Vancouver 5.5 per cent.

The total value of the field crops of Canada, at local market prices, is placed by the Census Department at \$532,992,000 gathered from 30,065,556 acres, as compared with \$432,534,000 gathered from 27,505,663 acres in the previous year.

Judged by the figures for the half-year ending September, 1909, our foreign trade has apparently almost reached the record figures of the year ending March, 1908, the intervening year having indicated the extent to which our trade was restricted by the stringency in money and by other causes. The record figures of the fiscal year ending March, 1908, were:—imports \$370,731,000, exports \$280,006,000, a total of \$650,737,000, the excess of imports being \$90,725,000. For the year ending March, 1909, the imports were \$309,674,000, the exports \$261,512,000, a total of \$571,186,000, the excess of imports being only \$48,162,000. For the six months ending September, 1909, the imports were \$183,534,000, an increase over 1908 of \$34,084,000; the exports \$131,189,000, a gain of \$12,483,000. The excess of imports in the six months was enlarged by

\$21,601,000, so that the tendency to improvement in that respect has passed for the time being. It is worth while to compare the total foreign trade of 1908, \$650,737,000, with that of 1898, \$304,475,000, and that of 1888, \$201,097,000.

The basis of our trade relations with Great Britain has been improving, leaving out of account the abnormal year ending March, 1909. Taking the years 1901, 1902 and 1903 together, for every \$35 of products exported to Great Britain we received \$15 in goods and \$20 in cash. During the years 1906, 1907 and 1908, for every \$39 of products exported we received \$25 in goods and only \$14 in cash. As we look to England to buy almost all of the securities with the proceeds of which we pay for our surplus of imports, and as practically all of the cash received both for surplus exports to Great Britain and for securities sold goes to pay the United States, any improvement in our imports from Great Britain at least tends to make the situation less one-sided. When we turn to our trade with the United States there is no improvement in the proportion between exports and imports. In the years 1901, 1902 and 1903, for every \$38 of goods imported from the United States we sent to that country \$21 in products and paid \$17 in cash. During the years 1906, 1907 and 1908, for every \$62 of goods imported we sent them \$31.50 in products and paid them \$30.50 in cash. It is well also to note that the increase of our exports to Great Britain in the short period used for comparison is as \$39 to \$35, while the increase of our imports from the United States is as \$62 to \$38. It would, undoubtedly, be wise for the United States to take payment to a greater extent in products, and we can afford to smile at threats of disturbance to such a total of trade as they enjoy with us. The discussion in the United States of the Payne tariff bill shows no disposition on their part to take a broader view of their relations with us; indeed, quite the reverse, if

we are to judge by the power to annoy us given to the Executive of the United States. But the fact that we intend to manage our natural resources in our own way, to favour Great Britain in our tariff relations, and to make such trade arrangements as we choose with other countries which are disposed in turn to treat us well, will be accepted, and the great and rapidly growing trade between Canada and the United States will not be seriously checked, as it was in other days of tariff manipulation, when we were not so important as trading neighbours.

THE MARITIME PROVINCES.

The varied interests of the Maritime Provinces, taken together, have provided another year of reasonable prosperity, although the protracted coal strikes have curtailed the general trade of the communities directly concerned. In most parts farmers have had good crops with high prices. More attention is being paid to dairying and cattle-raising, which latter had been neglected of late years, and more intelligent methods of farming are being generally introduced, while a keener interest is being shown in farmers' associations, agricultural colleges and similar means of improvement. Large yields of grain per acre can be obtained in many parts; and great fodder and root crops and good grazing areas could be secured by a more intelligent direction of energy. The value of the field crops of the Maritime Provinces is as yet very small, being for the past year only \$49,684,000. The apple crop, both in yield and prices, has been unusually satisfactory, and in some parts the growing of other fruits is becoming an important and profitable feature. Fishing, although, as usual, very uneven as to the catch of different kinds and as to the fortunes of different fishing areas, has produced a more profitable result than the average. As might be expected from the conditions of foreign trade, the cut of lumber has been kept down; stocks, however, have been nearly cleared out, and, in consequence, the outlook for

the trade is again satisfactory. Manufacturing interests have had a moderate revival and the prospect for a still larger volume of sales is good. In general trade the note is one of distinct hopefulness; orders are plentiful and prices have a tendency to advance. The most important industrial incident of the year has been the settlement of the long-standing dispute between the Dominion Iron & Steel Company and the Dominion Coal Company, and this has been followed by a partial but substantial union of interests which should ensure the maximum of prosperity to the two companies. Both companies have done well during the past year, although the profits in both cases have naturally been affected by the prolonged coal strike, which began in July and lasted several months. The Steel Company is making extensions and improvements to its plant, which must largely increase its output, and apparently the demand for its product is such that the enlarged production can be readily sold. The Coal Company, as a result of the strike, reduced its output about one-quarter—say, from 3,300,000 tons to about 2,500,000. It has now nearly a full complement of men. The output of coal for the whole province of Nova Scotia available for sale, which was about 5,500,000 long tons in 1908, decreased over 1,000,000 tons in 1909.

ONTARIO AND QUEBEC.

The year has been a prosperous one for the farmers of Ontario and Quebec. Despite much unfavourable weather, the crops were, as a whole, above the average and brought excellent prices. The agricultural areas, the weather conditions and the nature of the crops vary so much in these provinces that the yield has ranged from scanty to abundant, but there seems to be no district in which general prosperity among the farmers is not admitted, and in which this is not shown by their power to buy and to pay debts. The value of the field

crops of Ontario and Quebec for 1909 as given by the Census Department was \$290,469,000. In some districts steady improvement in farming is clearly evident. More attention is paid to tile-draining, the destruction of weeds, rotation of crops, good seed and manuring than ever before, and where the farming is at its best, the yield per acre of grain is not only increasing but puts to shame most other parts of North America. In other districts, however, the profits of farming are not what they should be, and it is hard to keep the young men from going to the West. Notwithstanding the world's high prices for wheat and the large yield per acre in these provinces, the quantity of wheat grown in them will, doubtless, lessen in proportion to other products, and even now there is very little to sell. The farmer finds his profit more and more in dairying, the raising of cattle, horses, hogs, fruit, vegetables for canning, poultry, etc. We do some things, however, badly. We could supply the world with the finest apples, and well-ordered orchards pay an unusually handsome return, but as a rule everything in the apple business, from the care of the trees to the landing of the fruit in Europe, is done in a more or less shiftless manner. On the other hand there are districts where direct attention is given to fruit-growing, and in these there is a marked improvement and the great value of these products is being realized. We have in our West and elsewhere great markets for horses, but we do not try very hard to improve the breeding, although we know that everything in the end depends on that. And as to breeding, the same may be said of those who rear cattle.

Because of the great increase in Western and other home consumption of articles produced on Eastern farms, our exports of certain articles—noticeably dairy products—are falling off. This falling off is much to be regretted, as greater energy would apparently have enabled us to supply both markets more completely. It seems,

indeed, true that in very many parts of Eastern Canada, while the money result makes the farmer comfortable, the land is not being worked to the best advantage, and the product must be less in quantity than in the past. Where the farming represents the high intelligence of our agricultural colleges, conditions are better than ever before and the outlook is excellent; but where intelligence is not so great, and especially where the land does not respond readily to cultivation, conditions are not improving, and we fear this statement applies to a larger area in Eastern Canada than does the more favourable one. From the less prosperous districts men are still going to the West, and in all parts of Eastern Canada an ever-present trouble is the lack of sufficient farm labour. This causes many kinds of difficulties, besides the obvious effect on the volume and cost of production. Indeed, we cannot have the best possible farming even where intelligence is at its highest, because every farmer finds himself forced to adjust his scheme of farming to the labour he can secure. Intensive farming would be best for the country as a whole, because by it the largest gross value per acre would be produced, and the farmer would thus have more to spend on labour and supplies; but scarcity of labour makes him turn grazier, so that he may get a satisfactory net profit with the least outlay possible for labour and supplies. On the other hand it has brought about an extraordinary advance in labour-saving farm machinery.

Partial drought and high prices have apparently lessened the number of animals on Ontario farms. As compared with 1908 the Government returns to 1st July show diminished numbers in milch cows and other cattle, sheep, swine and poultry, and only in horses is the number larger. The shipments of apples from Montreal were 581,000 barrels, the average for ten years being 445,000. The export of butter has nearly ceased, the shipments from the same port being 39,000 packages.

against 573,000 in 1905, the collapse in 1907 being clearly maintained. A very largely increased home demand will hardly explain this. In cheese the shipments were 1,872,000 boxes, worth \$17,225,000, the average for five years being 1,996,000 boxes, worth \$18,417,000. We used to explain the fall from the high figures of 1903 by the development of the production of butter, but now we must admit that we have less dairy products to export than formerly, whatever be the cause. At the same time, Great Britain does not need our dairy products as much as formerly. New Zealand, which five years ago supplied only 4 per cent. of the cheese imported from the colonies, now supplies 20 per cent. Notwithstanding improved facilities, grain exports are smaller than in 1907 and 1908, being 27,959,000 bushels, against an average for five years of 28,143,000 bushels. In flour, however, there is a large increase, the shipments being 1,713,000 sacks and 210,000 barrels, against 1,128,000 sacks and 167,000 barrels in 1908. Live stock shipments are smaller than in any recent year, but for several reasons the figures do not illustrate the trade as a whole. The Harbour Commissioners are steadily improving the facilities of the port of Montreal, with the hope of making it the foremost port on this continent. The volume of shipments from Montreal and of inland shipments through the Lachine Canal both show a gratifying increase over 1908.

In manufacturing the conditions are very satisfactory, having regard to the recent check. As the year advanced, there was a steady increase in orders, with an improvement in prices. Not many new factories were built, but additions to existing plants were quite numerous. There are, of course, exceptions, but at the close of the year the majority of the factories in Ontario and Quebec were working at full time, many had increased their output over all past records, and nearly all have the promise of a larger volume of business in 1910 than ever before, orders

from the West being unprecedentedly large in many lines. There has been great expansion in the volume of trade in steel, iron and metal goods of all kinds with a considerable increase in prices. Flour milling has been abnormally profitable. In lumber the cut of pine for this year has apparently been completely sold, and higher grades of lumber sell readily, but in box lumber and in lower grades the market still needs some improvement. The outlook as a whole is very good. The new cut of logs will be dearer than that of the previous year, because of a recovery in the wages of the men. The most important event of the year in connection with our forests was the action of the Government of the Province of Quebec in connection with the export of pulp wood with a view to the preservation of the great forest areas of that province. Much activity in building is general throughout the greater part of Canada, and in the smaller cities as well as the larger ones business properties are being sold at prices which would have been very surprising a few years ago. To a satisfactory extent these sales represent investments of capital unaccompanied by mortgages for part of the purchase money.

The mining business of Ontario centres at Cobalt, and here the production is the largest on record. The growth of this mining camp is sufficiently remarkable to make the figures for the last six years interesting. The value of the production has been as follows:

1904.....	\$ 136,217
1905.....	1,485,570
1906.....	3,573,908
1907.....	6,155,391
1908.....	9,133,378
1909 (estimated).....	12,000,000
	<hr/>
	\$32,484,464



LETHBRIDGE. ALTA



Taking into consideration the ore reserves in sight and without reference to the effect of the price of silver, the output of Cobalt alone may maintain this high level, or thereabouts, for a few years. Of the various other areas being either prospected or developed, little of a definite character can be said. Many millions have been spent in the work, but as yet practically no shipments have been made, although a moderate supply of ore awaits shipment at Gowganda. Lack of transportation facilities and the other great physical difficulties of work in the north country must make development slow, but eventually other camps of importance besides Cobalt will, doubtless, arise. There have been apparently important discoveries of gold in the townships of Whitney and Tisdale, about 150 miles north-west of Cobalt. In the meantime silver has become the mineral of second importance in Canadian production, having displaced copper, nickel and gold, and standing, according to the figures for 1908, in relation to coal as 13.5 does to 29.3. On the basis of our figures for 1908, we have now moved to the third position among the world's producers of silver, having displaced Australasia. This is the highest position we can hope to hold, as our production is still small beside that of Mexico and the United States. While the silver market was rather uncertain during the year, the price remained about the same until December, when the market showed a hardening tendency. The world's production has increased from 43 million ounces in 1868 to 109 millions in 1888 and 200 millions in 1908. This is not remarkable in comparison with other products, but the price has fallen from \$1.32 per ounce in 1868, to 94 cents in 1888, and 52 cents in 1908. The total value of all minerals produced in Canada in 1908, as shown by the preliminary government report, was \$87,323,000.

At the end of 1909 business generally in Ontario and Quebec, whether in manufacturing, ordinary trading in merchandise, building, dealing in real estate, mining, selling of bonds and securities, or otherwise, is distinctly active, and accompanied by increasing prices and larger volume in most articles. The legitimate basis for this state of affairs is our excellent crops and an easy money market. But the very activity of business will cause the easy money to disappear and the high prices are already causing a speculative tendency, which is sure, as usual, to end in loss and disappointment to many.

MANITOBA, SASKATCHEWAN AND ALBERTA.

We have, as you already know, another year of great prosperity to record for the Prairie Provinces. The spring in Manitoba was cold and backward, but good weather in May and June gave the crops as good a position at the end of June as in 1908, when the spring was early and favourable. In Saskatchewan and Alberta the spring conditions gave everything a good start, but July and August were very dry and the yield suffered because of too quick ripening. Southern Alberta suffered severely from winter-killing of wheat—as high as 60 to 75 per cent. in some parts—but this loss was largely repaired by re-seeding in the spring. In August there were further losses by frost and hail, and this part of the province did not bear out the first crop estimates, although the total results were fairly good. In August we published the estimate of our Superintendent of Central Western Branches, based upon reports from nearly 400 correspondents. This was as follows:—

Wheat.....	113,979,000 bushels
Oats.....	157,537,000 bushels
Barley.....	24,324,000 bushels

In this estimate allowance was made for shrinkage by rain, heat, hail, frost or other adverse conditions.

country, however had ideal autumn weather, and some carefully made estimates now put the wheat yield as high as 120,000,000 to 125,000,000 bushels. Our estimates for other grains seem likely to be confirmed. The flax crop, to which we have not yet referred this year about 3,500,000 bushels, and wheat, the normal price will bring the farmers about \$400,000,000. The grain crops are high in quality 90 to 95 per cent suitable for milling. The grain crops altogether represent the best quantity and in value ever harvested in the province and the total value is estimated to be between \$155,000,000 to \$160,000,000. The Census Department estimate of the value of all field crops, including grasses, vegetables, etc., for the three provinces is \$39,000.

We cannot report very good prospects for the present season. It has been dry in the West for three or four months, and in consequence the ground is hard, and ploughing difficult. Unless the spring is early and favorable we do not expect as large an increase in acreage as would otherwise be the case. These conditions show a result not unusual in Southern Alberta and Southern Saskatchewan than elsewhere, because of the greater need for moisture in these parts of the West.

We have tried to emphasize regarding Eastern Canada, the country as a whole is deeply interested in the largest gross product from each acre of land, because every dollar not expended by the farmer is spent in Canada in labour and merchandise. The average farmer, however, will not adopt new methods beyond the point which gives him comfort, financially and otherwise. And so, because the pressure of population is slight and the rest of the world at the moment pays high prices for food-stuffs, raise we do not, except in a few isolated districts, from each acre nearly as much as we would if the pressure of necessity were upon us. When this means neglect of the land, as, indeed, it generally does, we may be sure that

some day we shall be punished for it. Few farmers in the West take enough trouble in preparing the ground for the crop, weeds are getting a hold upon the country which will in the next generation cause the children to say harsh things of their fathers, the land is not rested by changing crops or restored by fertilizers to any reasonable extent, and as yet the side profits from such useful adjuncts to grain crops as cattle, horse, sheep and hog raising, dairying, poultry farming, etc., are little in evidence, except in particular districts, where marked success has attended dairying and stock raising. Even if the present money result was no greater, mixed farming, in which the crops are partly used on the farm to feed stock, would so sustain the value of the land for grain growing as to pay handsomely in the long run.

An adequate system of hail insurance should be devised at once, and some plan should be worked out by the Provincial Governments which will afford some reasonable assurance of a sufficient supply of harvest labourers. The increase in the number of elevators and the improvement in facilities for handling the grain crops after they leave the farmers' hands should be very satisfactory from the farmer's point of view. Certainly competition was never so keen before, and profits to the grain dealers are likely to be disappointing in consequence. In the Prairie Provinces, and including the small number in British Columbia, there were, in 1909, 1,763 elevators, 37 warehouses and 769 stations, 2,569 in all, with a capacity of 54,234,900 bushels, as against 2,086 with a capacity of 43,037,400 bushels in 1908. Including the Ontario terminals handling Western grain, the total growth in capacity is from 63,190,000 bushels in 1908 to 77,550,000 in 1909. The capacity of the Western flour mills, including those at Fort William and Keewatin, is now over 41,000 barrels daily, and as indicated elsewhere, they have enjoyed a year of unusual prosperity.

Cattle came through the winter in good condition, and practically without loss. Prices have been from \$5 to \$12 per head over the previous year. The number of export cattle passing through Winnipeg up to the middle of November was 61,638, the number of cattle for local consumption was 18,491, and of hogs 113,139. These numbers are considerably smaller than last year, but the prices realized by the producer are much better, and hides are selling for the highest price ever known in the West.

Ranching is probably doomed by the incoming of the grain grower, and this emphasizes what we have said regarding mixed farming in the West. The demand for beef is growing, indeed the price of all meat food is very high throughout the world, and it would be a ridiculous state of things if a country which is now actually importing sheep from the United States and Australia, and which is buying two-thirds of the bacon it consumes in the United States, instead of improving this very unsatisfactory state of affairs, should make it worse by the importation of beef, a possibility not at all too absurd to consider. The number of cattle in the West is smaller this year than last, and there is really no time to lose. The situation cannot be improved in a year, and the basis of stock raising by farmers on a larger scale should be laid at once. In any event it will take several years to produce a satisfactory situation. The prices paid for hogs and cattle in Winnipeg during the past few months should tempt any farmer to take up this branch of farming.

The prospects for the lumber market in the Prairie Provinces, which in addition to the increasingly important stocks of spruce and poplar produced by their own mills, consume large quantities of pine, fir and cedar from North-Western Ontario and British Columbia, are quite good. During the early part of the year the retailers, after their experience in 1908, were slow to buy until the crops were

assured, and prices were therefore unprofitable to the manufacturer, so that the year as a whole is not likely to be very satisfactory, although much better than 1908. Since the assurance of good crops, both the volume of sales and the prices have so improved that an active and profitable business is already being done.

It is thought that the population of the three provinces is now nearly 1,250,000. Even based on the Census Department reports to 31st March, with estimates for foreign immigration since, but not for movement from Eastern Canada, the figures are 1,162,000. It is evident that our estimate of last year, namely, 975,000, was too low. In addition to the unusual movement from the United States, there has also been a large number of immigrants from Europe, but the decrease from Europe as compared with 1908 is pronounced. The character is, however, so much better, and their declared possessions in money and other values so much greater, that these considerations more than compensate for the loss in numbers. The outlook for immigration next year is exceedingly good in all directions.

Such prosperity has naturally excited real estate speculation, and the pace at which prices are rising and the tendency of ill-informed people to invest their money in suburban schemes in which the adjacency to solidly settled parts is often in inverse proportion to the claims of the dealers in this respect, is again apparent enough to warrant a caution on our part. There is, of course, a great legitimate increase in values both in the farm and in the cities, but those who buy on margin, or who buy without knowledge of surrounding conditions, are sure to be punished in a majority of cases. Winnipeg has now a population of about 150,000. The building permits to the end of November covered 2,904 buildings to cost \$9,152,000, as compared with 1,740 buildings in 1908 to cost \$5,427,000. It is the third city in Canada, and although we think of it

mainly as a great market, it has already 180 factories employing 11,000 people. Like Chicago in earlier days, it may astonish us in this respect before many years have passed. In any event, when in 1912 the Centenary of the Landing of the Selkirk Settlers is celebrated, it will have a record of growth to show which will be worth much to Canada as a general advertisement of the whole West.

Extensive new mileage has been built by the three railway corporations, particularly in Saskatchewan and Alberta. Great improvements in the way of double-tracking and to roadbeds and terminals have also been made, and again the crop has been moved to the head of the lakes in a satisfactory manner.

The plans of the several companies formed to supply water to the dry lands of Southern Alberta are now beyond the experimental stage, and great success is attending their efforts to obtain settlers. Of the western section of the Bow River area, being developed by the Canadian Pacific Railway, only about 15 per cent. is still unsold, and the energy and intelligence of this great corporation in establishing demonstration farms, in discovering new kinds of crops, supplying good seed, making first improvements and breaking the land for settlers, limiting the holdings of individual settlers, and advertising the country in Europe and the United States, quite apart from the great irrigation works themselves, should command the admiration of every Canadian.

Doubtless few people in the East realize the extent to which our western and north-western lakes have been supplying fish to the United States markets. The value of the catch this year is from \$1,000,000 to \$1,500,000, and it includes seven important species of fresh-water fishes. The lakes of three provinces are being fished, namely, Lakes Winnipeg, Manitoba, Winnipegosis, Dauphin, Lake of the Woods, Rainy Lake, Lake Athabasca, and other large bodies of fresh water north of Edmonton and Prince Albert.

The supply of fish in these waters is practically inexhaustible if properly protected, and as a result of the findings of a Commission appointed by the Dominion Government it is hoped that every necessary step will be taken. It will be a great calamity if their history is like that of the Great Lakes in Eastern Canada.

Summing up the trade conditions for these provinces, it may safely be said that, as in the East, the volume of trade has increased as the year progressed, and that the level of 1906 has doubtless been reached by almost all trades, while many are doing a larger business than ever before. The extent to which retail trading is being done on a cash basis is gratifying, and in marked contrast to the early years of settlement in the Eastern provinces.

BRITISH COLUMBIA.

The few great land industries of British Columbia, lumber, coal, copper, fruit, etc., have naturally responded to improved trade elsewhere, and the business of the coming year promises, in many branches, to be the greatest in volume yet experienced. In lumber, with the mountain mills, the year began with a hesitating market, but as soon as good crops in the adjacent provinces were assured, business increased, so that the volume for 1909 was about double that of 1908. Prices are now higher than at any time during the last two years. The mills, after a busy season, began the winter with small stocks on hand, and the outlook for next year, both as to volume and prices, is most satisfactory. Owing to the lower United States tariff considerable quantities of lumber have been shipped to Chicago and other United States markets. The coast mills have not done quite so well, and the increased United States tariff on shingles has hurt that important trade. But the prospects for the lumber business generally are of course much better, and it is hoped that the coming year will show results more nearly akin to those of the mountain

mills. The most interesting feature in this industry at the moment is the possibility of timber leases being made permanent instead of being granted only for rather short terms of years.

The total output of coal was about 2,300,000 tons, as compared with 2,112,000 tons for 1908 and 2,220,000 tons for 1907. Strikes and accidents, as usual, somewhat lessened the quantity mined. Many new coal areas, particularly in British Columbia and Alberta, are being opened, and there is no doubt that coal-mining will continue to keep its place as much the most important of our mining industries.

With the copper market in a dull state and with prices at 12½ to 13 cents a pound, it is only natural that the Boundary mines should not show an increase in output over the record of last year; still, the figures are only slightly lower, the quantity for the past year being 1,588,000 tons. The largest company has taken advantage of the dullness to make great improvements, and with the general recovery in business a larger output than ever before is probable in 1910, for the accomplishment of which the equipment is superior to that of any previous year. Notwithstanding the low price of copper and the low grade of the ores, the year has been profitable to the leading companies, which shows how stable the basis now is for the copper industry in the Boundary district. Only a very small part of the known mineral area is being worked, but its possibilities are shown by the fact that the largest company now has furnaces with a capacity of 5,000 tons daily, and a converting plant with a capacity of 40,000,000 lbs. of copper per annum, while the plant as a whole is the largest in the British Empire and the second largest in the world. The company next in size is also working towards a much greater output, its well-balanced plant needing nothing but enlargement. As a whole, the conditions of mining elsewhere in lower British Columbia have improved

during the year. The total value of all classes of minerals produced in British Columbia in 1909 was about \$24,500,000. Dear labour and insufficient transportation and smelter facilities are the main obstacles in the way of greater success. In addition to the areas tributary to the White Pass and Yukon Railway referred to a year ago, we now hear of important discoveries in the Portland Canal district, which bid fair to result in a large mining camp immediately. In the Queen Charlotte Islands and in the Skeena River district there is some mining activity, much hindered, of course, by lack of communication with the outside world.

The salmon pack for the year was 920,000 cases, much larger, as usual in the quadrennial year on the Fraser, than for 1906, 1907 and 1908, but quite unsatisfactory as compared with the pack of 1,167,000 cases in the quadrennial year 1905, or of 1,236,000 cases in 1901. The shortage was more than accounted for by the loss in the sockeye pack on the Fraser River, which was only 450,000 cases, against 837,000 in 1905. On the Puget Sound the sockeye catch was 962,000 cases, against 1,100,000 in 1905. Doubtless there were less fish actually running than usual, although there were other causes for the smaller pack, taking Fraser River and the Sound together. The fish came so late that at the end of the close season on the 27th August, there had not been half the usual catch on the Fraser, and many fishermen stopped work at this time, so that the late run was partly lost. Again on the Canadian side the close season in each week was increased to 42 hours and rigidly enforced, with other restrictions, while on the United States side whatever may be the Federal regulations nominally, there were really no restrictions. The weather also favoured the Sound, causing the fish to remain there longer than usual and thus enabling twenty-five to thirty per cent. of the Puget Sound catch, a much larger percentage than ever before, to be taken by purse seiners using power boats. Our own regulations seem to be both adequate

and efficiently enforced, but unless the United States join us both in making and in enforcing regulations looking to the preservation of salmon fishing in these waters, disastrous results, for which there will be no excuse whatever, must follow. In salmon fishing in other Canadian waters the catch was somewhat less than in 1908, and this is also true of halibut fishing so far as Canadian vessels are concerned. Herring fishing is growing satisfactorily and promises to be an important feature if properly cared for. Poaching by United States vessels still continues, although the Dominion Government has done something towards the protection of our waters. If foreign vessels are allowed to take immense catches of halibut in our waters, it is only a question of time when these fishing areas will be seriously depleted. We get precisely the same statement as to the facts, whether from Prince Rupert or from Vancouver, and there can be no doubt but that we must act with greater vigour and employ a larger number of government cruisers. Elsewhere we give figures showing the enormous money value of the salmon catch of the Pacific Coast waters.

Much new land is being brought under cultivation for fruit, whether in irrigated areas or elsewhere. In the Okanagan valley the trees suffered from frost and the yield was not more than forty per cent. of what it would otherwise have been. Elsewhere the crops were also less than normal because of the cold winter, and the whole quantity marketed was naturally small, although very important and often very profitable to the district concerned. It is the future which promises large figures for this industry. The purchasing power of the adjacent provinces will be enormous, and the areas being planted in British Columbia promise large quantities. Transportation and systems of packing and marketing are the most serious problems, and these are receiving the keen interest of the Government.

New areas, suitable for agriculture and grazing, are being brought into prominence, and having regard to the high price of land, the cost and scarcity of labour, the physical difficulties of clearing and lack of transportation facilities, the growth of settlement is very satisfactory. Few parts of the northern world will give so generous a response to the labour applied to the land as British Columbia.

In many of the towns and cities there is the same activity in building and the same advance in real estate values as elsewhere in Canada. Unfortunately, as elsewhere, many inexperienced people are speculating in real estate on margin, and generally it is in real estate at a distance, about which they know practically nothing except the roseate promises of the promoter. In Vancouver and Victoria building permits show a large increase, the figures in Vancouver being about \$7,000,000 for 1909, against less than \$2,000,000 in 1904, with an unbroken record of increases in each successive year between these dates. The assessed value of property in Vancouver which in 1900 was less than \$20,000,000, was in 1909 over \$72,000,000, while the great growth in clearing house figures has already been mentioned. Speculation in real estate is inevitable with such facts to promote it, but it is hardly possible for Eastern people to understand the prices which are being paid. They simply do not bear any relation to the past experience of such a city as Toronto, and those who invest should surely not do so unless they feel that they have personal knowledge of the property or have every reason to place full confidence in their advisors. The probability that speculators will be punished for the excessive prices being paid for outlying properties in this city is almost the only cloud over the prosperity of the province at the moment. Transportation engages the attention of the people perhaps more than any other industrial subject, and the prospect

for a great increase in mileage is excellent. The financial position of the province is now so strong that it can well afford to help sound undertakings of this kind, especially as the opening up of many most promising districts depends absolutely on railway facilities.

UNITED STATES.

In the three Pacific Coast States in which we are directly interested the conditions are not markedly different from those of Canada. The business of the year was much better than that of 1908, and even if disappointing in the rapidity of recovery in some branches, at the end of 1909 almost all kinds of business were doing as well as or better than in 1906. The year was marked by two of the so-called Expositions, which in new countries do much to advertise resources and industrial possibilities. At Seattle the Alaska-Yukon Pacific Exposition was a complete success. Although sensibly moderate in size, it was visited by 3,700,000 people, and appears to have done good to the whole coast; the authorities were able to pay their obligations and to return something to those who as shareholders projected the enterprise. The City of San Francisco also, by the Portola Festival, celebrated the discovery of the bay by Gaspar de Portola, and incidentally the recovery of the city from the great earthquake.

In lumber the recovery has been slower than was expected. As elsewhere, a growing improvement took place as the year progressed, and the outlook for a prosperous year in all branches in 1910 is excellent.

The wheat crop of Oregon, Washington and Idaho was 61,000,000 bushels, against 40,210,000 in 1908 and 60,242,000 in 1907. The price has been so high that the farmers have doubtless made much more money out of this crop than in any preceding year. California and Mexico

are now becoming such large consumers of Pacific Coast wheat that European shipments are declining.

Fruit growing of the same character as in British Columbia is already developed on a large scale in Washington, and the business thus far has done so well that large new areas are being added yearly. Reliable statistics are not yet obtainable, but apparently about 300,000 acres are already under irrigation, with about 50,000 acres in addition in process of completion. Of this irrigated land about 40,000 acres are already in orchards, and this is being added to at the rate of about 20,000 acres each year. The value of orchards in full bearing is about \$1,500 to \$2,000 per acre and the profit is naturally very large to justify such prices. This will decrease when larger areas come into bearing, but some idea of the future value of the irrigated areas in Canada may be gained from the fact that the total value of crops of all kinds, fruit, alfalfa, timothy, roots, etc., in Yakima County, Oregon, for 1908, was \$25,776,000. In California the fruit industry is doubtless the most important at the moment. The yield of the past year was not nearly as large as the unusual crop of 1908, but the year was a normal one. Shipments of fresh fruit have been larger than ever before and up to the middle of November reached 15,000 car loads. The shipments of citrus fruits from Southern California also exceeded all previous records, having been for the season ending 31st October, 38,071 cars against 28,500 in 1908. The pack of canned fruit is only about two-thirds of that in 1908, but this is because of the abnormal quantity in that year. The market is now in excellent condition and has recovered from the excessive stocks created in 1908.

All that we lost in the salmon catch of the Fraser River, Oregon gained in Puget Sound, and the year was the largest on record except 1901. On the Columbia the catch was smaller than in 1908 and in the Alaska rivers it was also slightly less. But prices have been excellent, and

although this is the quadrennial year in which part of the canned stock has usually to be carried over, this year stocks are practically all sold. In order to emphasize the desirability of conserving our own fisheries, it may be well to give the quantities caught this year:

Alaska.....	2,332,806 cases
Columbia and minor rivers.....	391,800 "
Puget Sound.....	1,561,574 "
British Columbia.....	967,920 "
Total.....	5,254,100 cases

The value of the total pack is nearly \$20,000,000.

The production of petroleum in California is now much more valuable than the production of gold. In 1908 in eight counties the product was 48,306,000 barrels, worth \$26,560,000. The product for the whole State is estimated at 60,000,000 barrels, the equivalent of a large part of which in coal would have had to be sought elsewhere if oil had not been discovered. It is not clear, however, that it could have been obtained elsewhere, so that the effect on transportation and manufactures of the oil product and the importance of the supply being reasonably permanent is obvious.

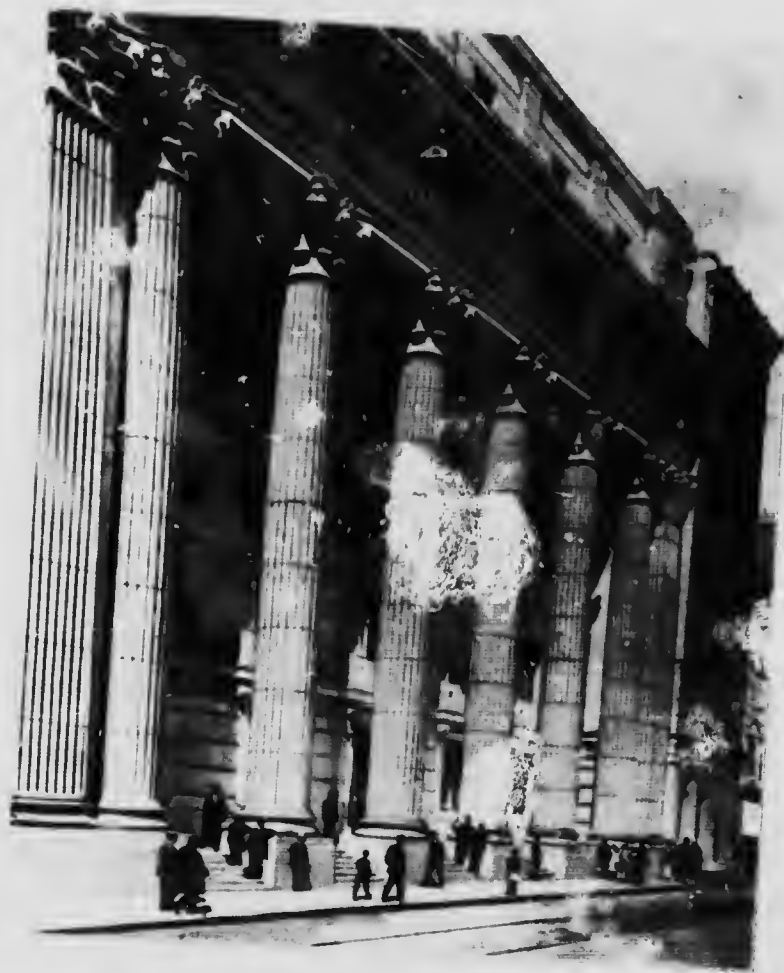
The trade with Alaska would have been less than in 1908 but for railroad construction. The gold receipts at the Seattle Assay Office to 31st October were \$11,822,000, against \$17,300,000 in 1908. Nome, like the Yukon, no longer keeps up the high production of its early days, but Fairbanks has produced the largest amount in its history. Part of the decline this year is due to the Yukon gold no longer being sold in Seattle. Until the new system of mining by companies with extensive plants is fully under way the total output is not likely to be as large as it may well become a few years hence. Coast-

wise shipping has been unprofitable because of the decline in the Alaska gold output, in the lumber trade, and for other reasons, while the foreign shipping trade has been much worse.

The sugar crop of the Hawaiian Islands, which we always consider in connection with California because the banking business connected with it centre mainly in San Francisco, was larger than in the previous year, being about 550,000 tons, and while prices early in 1909 were below those of 1908, at the end of 1909 they were higher. The planters made handsome profits, which are reflected in the continued large dividends by the sugar companies. Despite the promise of larger crops in Cuba and elsewhere there seems to be no probability of an over-supply of sugar, the demand being quite equal to the supply. We again quote the total value of the products of the rich State of California, which for 1909 reached \$405,000,000.

With such conditions in the three States we hardly need to say that there has been the same activity in building as in Canada, although happily with less speculation in real estate. There has been, also, the same movement towards the extension of transportation facilities, and, in a marked degree, the same scarcity of labour of a suitable class for a new country as yet without many kinds of industries.

Throughout the United States trade conditions have been improving as with us, and promise for 1910 larger figures than ever before. The prospect of tariff changes increased imports, and the short crop of cotton lessened exports, and as a result, for the ten months ending 31st October, 1909, the excess of exports was only \$165,000,000, against the abnormal figures of \$502,000,000 in 1908, and the more normal figures of \$292,000,000 in 1907. Money has been plentiful, although not so easy as a year ago. Prosperity has, as usual, caused people to



MONTREAL. QUE.

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forget the experiences of 1907, and there seems no immediate prospect of a reform of the currency and banking system.

The motion for the adoption of the report was then seconded by the Vice-President and carried unanimously.

Mr. Lash: There is no provision at the present time for the widows and orphans or other dependents of those who die in the service of the Bank. The benefit of the Pension Fund is confined to those who retire. The Bank feels that to establish a widows' and orphans' fund will be the crowning act in the interests of the staff as a whole, making them feel when they enter the service of the Bank that it will be wise to look upon it as their life's work. The resolution which I have to submit to you is as follows:

"Whereas the benefit of the existing Pension Fund of The Canadian Bank of Commerce is confined to employees of the Bank who after long service are compelled to retire,

"And whereas it is expedient and just that provision should be made for the widows and orphans or other dependents of employees who die in the service,

"And whereas, in addition to being just towards such employees, the establishment of a widows' and orphans' fund would, together with the Pension Fund, be of great assistance to the Bank in securing and retaining the services of an efficient staff of employees, which is essential to the continued and progressive prosperity of the Bank, and would be otherwise beneficial,

"And whereas, in the opinion of this meeting, the time has now arrived for the establishment of such a fund,

"Be it therefore resolved that the Board of Directors be and they are hereby requested to take this matter into consideration, and they are hereby authorized to

establish in connection with or separately from the Pension Fund, as they may think best, a widows' and orphans' fund, by means of which fair and reasonable provision, as determined by the Board, may be made for the widows and orphans or other dependents of deceased employees, and the Board are hereby authorized to devote from time to time for such purpose so much of the surplus profits of the Bank as may in their judgment be necessary, provided always that the amount so devoted shall not without the sanction of the shareholders exceed \$20,000 per annum."

Under the authority of this resolution, if it be passed, the Board will be enabled to consider the whole subject, and make careful enquiries and actuarial calculations with reference to the nature of this fund, as to whether it will be possible to establish it as part of and in connection with the Pension Fund and the Insurance Fund, or as a separate fund. It is a difficult subject and one which will call for a very great deal of consideration, but the shareholders may, I think, rely upon it that the Directors will deal with it in the same way as they have dealt with other funds, namely, on scientific principles and in the true interests of the Bank itself, of its shareholders and of its staff.

Mr. Flavelle: I have great pleasure in seconding the resolution.

The President: I wish to emphasize Mr. Lash's last words, in case you may not have caught their significance. The Pension Fund of this Bank was established originally upon a scientific basis, upon the best actuarial evidence we could obtain, and one of its conditions, a condition which we regard as vital, is that every ten years or so the fund shall be examined actuarially, so that it may be determined whether or not it is still upon a scientific basis. Funds of this character in banks and government institutions have repeatedly broken down through the omission to keep them on a strict actuarial basis.

Mr. George A. Somerville: I desire to move: That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank.

I think the shareholders generally will agree that the statement that has been presented to-day is one upon which they, as well as the President and Directors, are to be congratulated. To have declared the usual dividend of eight per cent., to have written \$400,000 off Bank Premises, and to have increased the balance carried forward by about half a million dollars is something to be proud of. The item of \$300,000 previously written off bad debts is an item which indicates the policy of the Directors in a very unmistakable way. It has generally been understood that for years past it has been the policy of this Bank to write every doubtful debt down to the bone, and the fact that items like this \$300,000 come back occasionally is very gratifying to the shareholders.

Another item for congratulation is the President's address. It has been a matter of common knowledge for years that this address has been read with as much interest in financial centres abroad as in Canada. For that address the President is entitled to the thanks not only of the shareholders of this Bank, but of Canadians generally.

Mr. Blaikie: It gives me great pleasure to second this resolution. The statement which is in everyone's hands speaks for itself, and tells in no uncertain manner that the Directors have done their duty well, that they have made money for the shareholders, and everybody ought to be well satisfied.

The President: On behalf of the Directors, I thank you very much for the resolution, and I can only say this, that we work hard, the Board as well as the officers of the Bank, and sincerely do our best to carry out what we realize more and more is one of the greatest industrial trusteeships in Canada.

When it comes to your remarks regarding my own address, I think I ought to say that the credit for that is entirely due to the Managers of The Canadian Bank of Commerce; I am little more than an editor. We have for years required our Managers to write once a week a report of things which they observe, which are not connected with the Bank except indirectly, a report which is not supposed to have anything in it connected with the Bank, but deals with what they observe outside. This has resulted in our having an army of observers of industrial conditions. Once a year these Managers are called upon to compile a report of the conditions of the past year in their community, no matter how large or how small it may be, and it is on those reports that my address is based.

Mr. W. T. White: I have very much pleasure in moving, and I am sure you will have very much pleasure in adopting, the following resolution: That the thanks of the meeting be tendered to the General Manager, the Superintendent of Branches and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.

That the duties of the Managers and other members of the staff have been onerous, and that those duties have been satisfactorily discharged, the statement which you have had before you and which you have considered tells much more eloquently than any words of mine. I have no doubt that banking, like any other profession or calling, has its traditional policies and its safeguards for the conduct of its business, but I will say this, that I know of no business that requires a better informed mind or better judgment than the safe investment of money. I think, with regard to the motion which I have introduced to you, that we seldom realize how much of the success of a financial institution or of any other institution is due to the men whom we seldom see. We know of the Directors, the

President and the General Manager and the men at the Head Office, and we know the chief men at the branch offices, but I sometimes think we do not realize the splendid work that is being done in an institution of this kind by the hundreds of men who are scattered all over this Dominion of Canada, and in fact outside of the Dominion of Canada. It gives me great pleasure to move this resolution to the staff for their very efficient services, because they have all in some degree contributed to this magnificent result.

Mr. F. J. D. Smith: I have very great pleasure in seconding the resolution, and I heartily endorse everything that has been said regarding the efficiency of the staff.

The President: I shall not speak to this resolution further than to say that in my opinion the staff is the Bank; whatever the staff is from time to time that is the Bank. A corporation, after all, is the aggregate of the human beings that make it up, and, as far as we are concerned, the men to whom you are now tendering your thanks are the Bank.

The General Manager: I certainly have great pleasure in acknowledging this resolution. I have had the privilege during the past six years of making the acquaintance, I am safe in saying, of every Manager from one end of the country to the other, and I can assure you that I do not believe there is a false note from one end of the service to the other. The members are loyal to the core, and, I believe, efficient.

I should like to say how pleased I am personally that the shareholders have so generously passed the resolution regarding this widows' and orphans' fund. I think it will be of very great satisfaction to the service to know how heartily you have entered into this scheme for their betterment.

I should like to ask Mr. Macgillivray, our Manager in Halifax, and Mr. Rowley, our Manager in Calgary, representing the East and the West, to make a few remarks in connection with this resolution.

Mr. Macgillivray: I wish to emphasize that this Bank, through its traditions of recent years, has established an *esprit de corps* and professional standard whereby we do not regard ourselves as mere hired men, as mere wage earners, but as members of a great service in a dignified profession. I esteem it a peculiar honour to be asked to speak on behalf of my brother Managers on this occasion, because my old friend, Dr. Lash, has presented a resolution here to-day which, I think, is without question the crowning glory of all those things which have been done in the interests of the staff of this Bank, and, on behalf of the Managers, I wish to say that we very deeply appreciate this vote of thanks. We do not respond in any formal way, because we know it is not presented in a formal way.

Mr. Rowley: I fully agree with what Mr. Macgillivray has said on behalf of the staff in the East, and I can say the same for the staff in the West. We do not look upon these resolutions as either empty or idle resolutions, for we have received every consideration from the stockholders, the Directors and the executive of the Bank, and it is these tangible evidences which are, after all, those that count, which have made us all loyal, faithful and industrious servants of the Bank.

Senator Edwards: I beg to move: That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until two o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. Kingman: I beg to second the resolution.

The President: Before putting this resolution I wish to make a few remarks.

In the report of the Directors we have announced the loss by death of two of our number, Messrs. Warren and Leggat. Mr. Warren, during the unfortunately few years in which he was a member of the Board, had won the high regard of his fellows for his unusual business ability, and Mr. Leggat, already a well-known merchant when he took a seat on our Board twenty-two years ago, brought to the discussions of the Board a long and ripe experience. I regret, also, to have to announce that Mr. Frederic Nicholls has, in view of his many business engagements, signified his desire not to be again elected to the Board. Mr. Nicholls has been a Director for eight years, and it is fitting that we should record our sense of the value of his counsel at the Board and of the zeal and ability he has always shown in the interests of the Bank.

To fill the vacancies created by the death of Mr. Leggat and the resignation of Mr. Nicholls the names of Mr. Robert Stuart, Treasurer of the Quaker Oats Company, Chicago, Peterborough and elsewhere, and of Mr. William McMaster, Managing Director of the Montreal Rolling Mills Company, Montreal, are submitted.

The resolution was then put and carried unanimously, and the meeting adjourned.

The scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year: B. E. Walker, C.V.O., LL.D., Robert Kilgour, James Crathern, Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. L. Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Hon. J. M. Gibson, K.C., LL.D., William McMaster, Robert Stuart.

At a meeting of the newly elected Board of Directors held subsequently, Mr. B. E. Walker was elected President and Mr. Z. A. Lash, Vice-President.





NELSON B C



**THE CANADIAN BANK
OF COMMERCE**

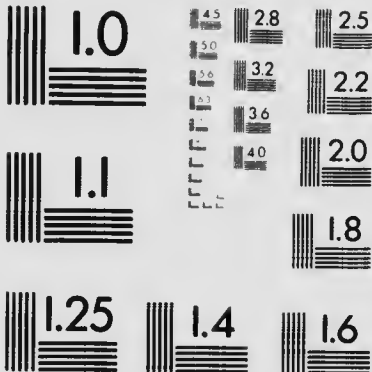
ANNUAL REPORT

30TH NOVEMBER, 1910



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



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THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP \$10,000,000
REST 7,000,000

DIRECTORS:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.	PRESIDENT
Z. A. LASH, Esq., K.C., LL.D.	VICE-PRESIDENT
HON. GEO. A. COX	HON. W. C. EDWARDS
JOHN HOSKIN, Esq., K.C., LL.D.	E. R. WOOD, Esq.
ROBERT KILGOUR, Esq.	HON. J. M. GIBSON, K.C., LL.D.
J. W. FLAVELLE, Esq., LL.D.	WM. McMASTER, Esq.
A. KINGMAN, Esq.	ROBERT STUART, Esq.
HON. L. MELVIN JONES	G. F. GALT, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H. N. WALLACE, Esq., Chairman	
C. W. ANDERSON, Esq.	W. J. G. THOMSON, Esq.
JOHN MACNAB, Esq.	W. N. WICKWIRE, Esq.

CHARLOTTETOWN BOARD:

WM. A. WEEKS, Esq., Chairman	
F. R. HEARTZ, Esq.	A. P. PROWSE, Esq.



THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

SIR EDMUND WALKER, C.V.O., L.T.D., D.C.L. - PRESIDENT

ALEXANDER LAIRD - - - - - GENERAL MANAGER

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

JOHN AIRD, Superintendent of Central Western Branches

V. C. BROWN, Chief Inspector

D. A. CAMERON, WM. HOGG and F. B. FRANCIS, Inspectors

C. L. FOSTER and C. GORDON, Assistant Inspectors

T. F. ASPDEN, Supervisor of Banking Accounts and Exchanges

A. ST. L. TRIGGE, Secretary

BRANCHES

BRITISH COLUMBIA AND YUKON—

CHILLIWACK	K. V. MUNRO	Manager
CRANBROOK	R. T. BRYMNER	"
CRESTON	P. B. FOWLER	"
CUMBERLAND	W. T. WHITE	"
DAWSON	D. M. SANSON	"
FERNIE	L. A. S. DACK	"
GREENWOOD	J. T. BEATTIE	"
KAMLOOPS	G. S. HOLT	"
LADYSMITH	L. M. DeGEX	"
MISSION CITY	W. H. MATHEWSON	"
NAKUSP	H. L. ROTHWELL	"
NANAIMO	E. H. BIRD	"
NELSON	J. L. BUCHAN	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	J. J. HUNTER	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	F. M. GIBSON	"
SALMON ARM	A. J. MARLOW	"
SOUTH HILL		
STEWART	H. C. MORRIS	"
VANCOUVER	WILLIAM MURRAY M. D. HAMILTON	Asst. Mgr.
Do. EAST	C. W. DURRANT	Manager
Do. FAIRVIEW	E. W. CARR HILTON	"
Do. MOUNT PLEASANT	J. G. MULLEN	"
Do. PARK DRIVE	M. NICHOLSON	"
VICTORIA	F. L. CRAWFORD	"
Do. NORTH	H. R. BEAVEN	"
WHITE HORSE	D. ROSS	"

WESTERN PROVINCES—

BASSANO, ALTA.	H. C. STRANGE	Manager
BAWLFI, ALTA.	W. G. HAMILTON	"
BOUNTY, SASK.	J. P. KENNEDY	Pro Mgr.
BRANDON, MAN.	A. MAYBEE	Manager
BRODERICK, SASK.	G. W. SUTHERLAND	"
BROOKING, SASK.	F. A. WYLIE	Act. Mgr.
CALGARY, ALTA.	C. W. ROWLEY	Manager
Do. EAST	"	"
Do. SOUTH	"	"
CANORA, SASK.	G. G. BOURNE	"
CARMAN, MAN.	F. J. MACOUN	"
CARMANGAY, ALTA.	H. G. HURLBURT	"
CHAMPION, ALTA.	E. G. OGILVIE	Pro Mgr.
CLARES-HOLM, ALTA.	W. A. CORNWALL	Manager
CROSSFIELD, ALTA.	JAMES CAMERON	"
DAUPHIN, MAN.	E. R. JARVIS	"
DELISLE, SASK.	J. O. MACCALLUM	"
DRINKWATER, SASK.	H. H. LOWE	"
DURBAN, MAN.	J. A. SMITH	"
EDMONTON, ALTA.	T. M. TURNBULL	"

BRANCHES—Continued

ELBOW, SASK.	R. P. MORRISON	Manager
ELFROS, SASK.	A. W. PENTLAND	Pro Mgr.
ELGIN, MAN.	H. L. WETHEY	Manager
ELKHORN, MAN.	R. H. BROTHERHOOD	"
GILBERT PLAINS, MAN.	C. A. MERCER	"
GLEICHEN, ALTA.	W. R. MCKIE	"
GRANDVIEW, MAN.	F. W. DE MILLE	"
GRANUM, ALTA.	THOMAS ANDREWS	"
HARDISTY, ALTA.	W. R. ALOER	"
HAWARDEN, SASK.	H. E. MILLER	"
HERBERT, SASK.	R. N. SHAW	"
HIGH RIVER, ALTA.	A. G. VERCHERE	"
HUMBOLDT, SASK.	H. G. MATHEWSON	"
INNISFAIL, ALTA.	WM. HILBORN	"
INNISFREE, ALTA.	H. J. MATTHEW	Act. Mgr.
KAMSACK, SASK.	W. J. F. ROSS	Manager
KERR ROBERT, SASK.	J. P. TAILLON	"
KINDERSLEY, SASK.	W. V. GORDON	"
KITSCOTY, ALTA.	T. S. LEITCH	Pro Mgr.
LAMERTON, ALTA.	H. S. OATS	Act. Mgr.
LANGHAM, SASK.	A. W. WHITE	Manager
LANIGAN, SASK.	W. E. D. FARMER	"
LASHBURN, SASK.	J. H. DENT	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LLOYDMINSTER, SASK.	H. E. HAINES	"
LOUGHEED, ALTA.	R. W. WINFIELD	Pro Mgr.
MACLEOD, ALTA.	W. G. LYNCH	Manager
MARCELIN, SASK.	G. H. HOW	Pro Mgr.
MEDICINE HAT, ALTA.	H. M. STEWART	Manager
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. N. STRANO	"
MILESTONE, SASK.	W. J. SAVAGE	"
MILK RIVER, ALTA.	A. J. MAYNARD	"
MONARCH, ALTA.	C. H. ANDERSON	"
MOOSEJAW, SASK.	E. M. SAUNDERS	"
MOOSOMIN, SASK.	D. I. FORBES	"
MORSE, SASK.	S. R. TUFFLEY	Act. Mgr.
NANTON, ALTA.	C. F. A. GREGORY	Manager
NEEPAWA, MAN.	C. BALLARD	"
NEW DAYTON, ALTA.	A. J. MAYNARD	"
NOKOMIS, SASK.	K. W. REIKIE	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
NUTANA, SASK.	W. P. KIRKPATRICK	"
OLDS, ALTA.	W. C. DUNCAN	"
OUTLOOK, SASK.	H. W. MARLINO	"
THE PAS. N.W.T.	T. G. FORBES	Pro Mgr.
PINCHER CREEK, ALTA.	L. F. CROSS	Manager
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	F. W. WEST	"
RADISSON, SASK.	C. CADY	"
RED DEER, ALTA.	W. L. C. ESON	"
REGINA, SASK.	H. F. MYTTON	"

BRANCHES—Continued

RIVERS, MAN.	R. M. SAUNDERS	Manager
SASKATOON, SASK.	W. P. KIRKPATRICK	"
SHELLBROOK, SASK	R. H. NEILSON	"
STAVELY, ALTA.	W. H. MARTIN	Act. Mgr.
STONY PLAIN, ALTA.	C. L. MILES	Manager
STRATHCONA, ALTA.	G. W. MARRIOTT	"
STRATHMORE, ALTA.	J. S. BARKER	"
SWAN RIVER, MAN.	J. A. SMITH	"
SWIFT CURRENT, SASK.	E. H. LAIDLAW	"
TRANSCONA, MAN.	W. T. TUBBERT	Pro Mgr.
TREHERNE, MAN.	W. MUNRO	Manager
TUGASKE, SASK.	S. FREEMAN	"
VEGREVILLE, ALTA.	W. P. PERKINS	"
VERMILION, ALTA.	A. F. TURNER	"
VIRDEN, MAN.	F. C. WHITEHOUSE	"
VONDA, SASK.	J. C. KENNEDY	"
WADENA, SASK.	A. L. JENSEN	"
WARNER, ALTA.	A. J. BURNSIDE	"
WATROUS, SASK.	A. M. ANDREWS	"
WATSON, SASK.	HENRY KERR	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. S. SWINFORD	"
WILCOX, SASK.	H. J. WHITE	"
WINNIPEG, MAN.	JOHN AIRD	"
Do. ALEXANDER AVE.	R. A. RUMSEY	Asst. Mgr.
Do. BLAKE ST.	R. E. N. JONES	Manager
Do. ELMWOOD	J. E. D. BELT	Act. Mgr.
Do. FORT ROUGE	F. C. BIGGAR	Manager
Do. NORTH	L. E. GRIFFITH	"
Do. PORTAGE AVE.	H. W. TRENNIOLME	"
YELLOWGRASS, SASK.	G. M. PATTERSON	"
YORKTON, SASK.	C. HENSLEY	"
	H. L. EDMONDS	"
ONTARIO AND QUEBEC -		
AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	W. C. JOHNSTON	"
BRANTFORD	H. W. FITTON	"
CAYUGA	C. D. NEVILL	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	H. C. DUNCAN	"
CREDITON	W. H. COLLINS.	"
DRESDEN	W. H. GREEN	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	W. H. COLLINS	"
FOREST	H. E. TYLOR	"
FORT FRANCES	B. P. ALLEY	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	R. S. WILLIAMS	"

BRANCHES—Continued

GOWGANDA	B. G. CARNEGIE	Manager
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
KINGSTON	P. C. STEVENSON	"
LATCHFORD	J. A. CLARK	"
LINDSAY	H. A. HOLMES	"
LONDON	JEFFERY HALE	"
MONTREAL	H. B. WALKER	"
Do. WEST END	WM. LEGGAT	Asst. Mgr.
ORANGEVILLE	H. B. PARSONS	Manager
OTTAWA	W. H. LUGSDIN	"
Do. BANK ST.	C. CAMBIE	"
PARIS	C. R. ARMSTRONG	"
PARKHILL	D. H. DOWNIE	"
PARRY SOUND	T. L. ROGERS	"
PETERBORO	H. C. COWDRY	"
PORCUPINE	W. H. DUNSFORD	"
PORT ARTHUR	W. G. WHITESIDE	"
PORT PERRY	A. W. ROBARTS	"
QUEBEC	J. McE. MURRAY	"
RAINY RIVER	A. L. HAMILTON	"
ST. CATHARINES	H. W. GRAHAM	"
SARNIA	R. G. W. CONOLLY	"
SAULT STE. MARIE	A. D. McLEAN	"
SEAFORTH	GEORGE WILLIAMS	"
SIMCOE	W. C. T. MORSON	"
STRATFORD	W. C. J. KING	"
STRATHROY	WM. MAYNARD	"
THEDFORD	L. H. DAMPIER	"
TORONTO	J. FULLER	"
Do. BLOOR AND DUFFERIN.	M. MORRIS	Asst. Mgr.
Do. BLOOR AND YONGE	H. P. SCHELL	Manager
Do. COLLEGE & DOVERCOURT	E. C. PRINGLE	"
Do. GERRARD AND PAPE	JAMES BRYDON	"
Do. MARKET	E. C. PRINGLE	"
Do. PARKDALE	J. M. HEDLEY	"
Do. PARLIAMENT ST.	T. A. CHISHOLM	"
Do. QUEEN AND BATHURST	W. A. COOKE	"
Do. QUEEN EAST	A. H. CREASE	"
Do. SPADINA AND COLLEGE.	E. M. PLAYTER	"
Do. WEST TORONTO	J. M. HEDLEY	"
Do. YONGE AND COLLEGE	H. F. D. SEWELL	"
Do. YONGE AND QUEEN	J. B. McCUAIG	"
WALKERTON	G. C. T. PEMBERTON.	"
WALKERVILLE	H. C. RAE	"
WATERLOO	H. M. LAY	"
WIARTON	A. W. RIDOUT	"
WINDSOR	G. W. HARRISON	"
WINGHAM	G. A. HOLLAND	"
WOODSTOCK	E. P. GOWER	"
	D. DAVIES	"
	F. CROSSLEY	"

BRANCHES—Continued

MARITIME PROVINCES—

ALBERTON	W. C. LAWSON	Manager
AMHERST	R. C. MACPHERSON	"
ANTIGONISH	W. H. HARRISON	"
BARRINGTON	F. W. HOMER	"
BRIDGEWATER	E. C. GRUNDY	"
CHARLOTTETOWN	F. E. DENCH	"
HALIFAX	D. MACGILLIVRAY	"
MIDDLETON	J. R. HARRISON	"
MONTAGUE	L. H. COFFIN	"
NEW GLASGOW	R. DEVEBER	"
PARRSBORO	A. E. CURRIE	"
ST. JOHN	C. W. HALLAMORE	"
SHELBURNE	T. W. MAGRE	"
SOURIS	J. H. McQUAID	"
SPRINGHILL	E. B. FAIRBANKS	"
SUMMERSIDE	R. T. MUSSEN	"
SYDNEY	E. B. IRELAND	"
TRURO	C. W. MONTGOMERY	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	{ Wm. Gray	} Agents
PORTLAND, ORE.	{ C. D. MACKINTOSH	
SAN FRANCISCO	F. C. MALPAS	Manager
SEATTLE	G. W. B. HEATHCOTE	"
	G. V. HOLT	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.	
H. V. F. JONES	Manager
A. R. PHIPPS	Asst. Manager

MEXICO—

MEXICO, D.F., Avenida San Francisco, No. 50	
J. P. BELL	Manager
D. MUIRHEAD	Asst. Manager

BANKERS AND CHIEF CORRESPONDENTS

- LONDON BANKERS—**
Bank of England; Bank of Scotland; Lloyds Bank Limited; The Union of London and Smiths Bank, Ltd.
- ENGLAND—**
Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.
- SCOTLAND—**
Bank of Scotland; British Linen Bank; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.
- IRELAND—**
Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.
- UNITED STATES—**
NEW YORK—The American Exchange National Bank, The Chase National Bank
ALBANY—The New York State National Bank.
BALTIMORE—The Citizens National Bank.
BOSTON—The National Shawmut Bank, The Second National Bank.
BUFFALO—The People's Bank of Buffalo.
CHICAGO—The First National Bank, National City Bank of Chicago, The Northern Trust Company.
CLEVELAND—The First National Bank.
DENVER—The Denver National Bank.
DETROIT—The Peoples-State Bank, The First National Bank.
LOS ANGELES—The Farmers and Merchants National Bank, The Citizens National Bank.
MINNEAPOLIS—The North-Western National Bank, The First National Bank.
NEW ORLEANS—The Commercial National Bank.
PHILADELPHIA—The Girard National Bank.
PITTSBURG—The Mellon National Bank.
ST. LOUIS—The Mechanics-American National Bank.
ST. PAUL—The National German American Bank.
SALT LAKE CITY—The Desert National Bank.
SPOKANE—The Traders National Bank.
TACOMA—The Bank of California National Association.
- AUSTRIA—**
Anglo-Austrian Bank.
- BELGIUM—**
J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.
- DENMARK—**
Den Danske Landmandsbank, Copenhagen.
- FRANCE—**
Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.
- GERMANY—**
Deutsche Bank; Direction der Disconto-Gesellschaft.
- HOLLAND—**
Twentsche Bankvereening, Amsterdam; Disconto Maatschappij, Rotterdam.
- ITALY—**
Banca Commerciale Italiana.
- NORWAY—**
Centralbanken for Norge, Christiania.
- SWITZERLAND—**
Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.
- INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—**
Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking Corporation.
- SOUTH AFRICA—**
Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.; Bank of Africa, Ltd.
- AUSTRALIA AND NEW ZEALAND—**
Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.
- HAWAIIAN ISLANDS—**
First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.
- SOUTH AMERICA—**
British Bank of South America, Ltd.; London and Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.
- WEST INDIES—**
Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.
- BERMUDA—**
Bank of Bermuda, Ltd., Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1910

LIABILITIES

Notes of the Bank in circulation.....	\$ 10,222,953 18
Deposits not bearing interest.....	\$34,481,063 22
Deposits bearing interest, including interest accrued to date....	92,352,590 31
Balances due to other Banks in Canada.....	126,834,253 53
Balances due to other Banks in foreign countries..	437,791 54
Dividends unpaid.....	2,020,333 52
Dividend No. 95, payable 1st December.....	2,479 45
Capital paid up.....	\$10,000,000 00
Rest.....	7,000,000 00
Balance of Profit and Loss Account carried forward.....	310,204 06
	17,310,204 06

\$157,053,015 28

ASSETS

Coin and Bullion.....	\$ 6,953,430 80
Dominion Notes.....	11,689,893 00
Balances due by Agents of the Bank in the United Kingdom..	\$ 4,223,513 36
Balances due by other Banks in foreign countries.....	4,511,916 09
Balances due by other Banks in Canada.....	19,077 22
Notes of and Cheques on other Banks.....	6,321,634 37
Call and Short Loans in Canada.....	15,076,141 04
Call and Short Loans in the United States.....	7,500,385 56
Government Bonds, Municipal and other Securities	11,541,842 29
Deposit with the Dominion Government for security of Note circulation.....	8,924,266 79
	463,500 00
Loans to other Banks in Canada, secured.....	\$62,149,459 48
Other Current Loans and Discounts.....	686,621 21
Overdue Debts (loss fully provided for).....	91,242,440 14
Real Estate (other than Bank Premises).....	187,893 81
Mortgages.....	18,717 97
Bank Premises.....	374,599 23
Other Assets.....	2,276,395 21
	116,888 23

\$157,053,015 28

ALEXANDER LAIRD
General Manager

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 10TH JANUARY, 1911

The forty-fourth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 10th January, 1911, at 12 o'clock.

Among those present were:—

Hon. George A. Cox, Hon. L. Melvin Jones, H. C. Cox, J. W. Flavelle, LL.D., Hon. J. M. Gibson, K.C., LL.D., Z. A. Lash, K.C., LL.D., Robert Igour, E. R. Wood, Sir Edmund Walker, C.V.O., LL.D., D.C.L., W. T. White, H. Vigeon, P. G. Van Vleet, Thomas Gilmour, H. F. D. Sewell, Thos. Wabnsley, C. Cambie, H. L. Watt, Henry Beatty, C. F. Mortimer, H. Bickford, A. E. Kemp, Alexander Rose, Frank Anderson, Sir William Mackenzie, J. S. McLean, W. B. Meikle, James Brydon, W. T. Boyd, Frank A. Rolph, A. C. Snively, John Woods, J. S. Willison, S. Morley Wickett, J. S. Lovell, Col. A. D. Davidson, J. K. Macdonald, F. D. L. Smith, George A. Somerville, L. J. Cosgrave, S. Nordheimer, Victor Ross, G. F. Beer, W. R. Houston, J. H. Plummer, T. A. Chisholm, G. Reedy, R. C. Carlyle, J. Westren, J. Short McMaster, E. J. Beer, Richard Brown, D. B. Hanna, J. C. Sinclair, W. E. Reade, Dr. J. H. Carrique, Charles Niehaus, James Hedley, Trumbull Warren, W. H. Lockhart Gordon, Sir Henry Pellatt, George Murray, John A. Morton, A. E. Ferrie, W. Garside,

C. N. Candee, J. L. Blaikie, A. J. Helliwell, R. D. Strachan,
 G. A. Morrow, R. Mulholland, J. E. Baillie, W. A. Cooke,
 A. J. Glazebrook, William Davidson, J. M. Hedley,
 Major Keefer, Dr. Grasett, J. M. Clark, W. Prendergast,
 S. R. Wickett, Rev. T. W. Paterson, W. Crocker,
 F. Darling, W. E. Rundle, A. Lowes Dickinson, New York;
 Abner Kingman, Montreal; R. Gill, Ottawa; J. L. Watt;
 William McMaster, Montreal; Robert Stuart, Chicago;
 G. F. Galt, Winnipeg; Hon. W. C. Edwards, Ottawa;
 S. H. Logan, Cobalt; J. McE. Murray, Port Perry;
 William Toole, Calgary; José Maria Ortiz, Mexico City;
 S. R. Tarr, Winnipeg; D. Hughes Charles, Montreal;
 R. S. Williams, Goderich; C. D. Mackintosh, New York;
 W. G. Hamilton, Bawlf; C. M. Gripton, St. Catharines;
 A. W. White, Langham; D. M. MacClelland, New York;
 Mr. and Mrs. F. J. D. Smith, Newtonbrook;
 A. R. Davidson, Winnipeg; W. A. Murray, Montreal;
 W. W. Tamblyn, Bowmanville; W. Maynard, Stratford;
 W. Cook, Carrville; A. W. Ridout, Walkerville;
 H. M. Lay, Walkerton; W. H. Dunsford, Peterboro;
 W. McAdie, Oshawa; H. W. Fitton, Brantford;
 John Aird, Winnipeg; E. P. Gower, Windsor;
 D. B. Dewar, Hamilton; C. M. Stork, Belleville;
 Jeffrey Hale, London; Newman Silverthorn, Summerville.

The President, Sir Edmund Walker, having taken the
 chair, Mr. A. St. L. Trigge was appointed to act as Secre-
 tary, and Messrs. A. J. Glazebrook and W. E. Rundle
 were appointed scrutineers.

The President called upon the Secretary to read the
 Annual Report of the Directors, as follows:—

REPORT

The Directors beg to present to the Shareholders the
 forty-fourth Annual Report, covering the year ending 30th
 November, 1910, together with the usual Statement of
 Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 722,139 02
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,838,065 04
	<u>\$2,560,204 06</u>

This has been appropriated as follows:

Dividends Nos. 92, 93, 94 and 95, at Nine per cent. per annum.....	\$ 900,000 00
Written off Bank Premises.....	300,000 00
Transferred to Pension Fund (annual contribution).....	50,000 00
Transferred to Rest Account.....	1,000,000 00
Balance carried forward.....	310,204 06
	<u>\$2,560,204 06</u>

The assets of the Bank have all been carefully re-valued in accordance with our usual practice, and all bad and doubtful debts have been amply provided for.

It is with deep regret that your Directors have to announce the death during the past year of Mr. James Crathern, of Montreal, who had been a member of the Board for twenty-seven years, and who at the time of his death was our oldest Director. To fill the vacancy your Directors have elected Mr. George F. Galt, of Winnipeg.

During the year the actuarial work connected with the establishment of a fund to provide pensions for the widows and orphans of deceased officers of the Bank, as authorized by the Shareholders at the last Annual Meeting, has been completed. It was thought advisable that the new requirements should be met by enlarging the scope of the existing Pension Fund, and this has been found practicable on a very satisfactory basis. The new provisions came into effect in November.

The following branches have been opened during the year: In Manitoba—Transcona; in Saskatchewan—Bounty,

Kerr Robert, Kindersley, Marcelin, Morse, Swift Current; in Alberta—Bassano, Champion, Kitscoty, Loughheed, Milk River, New Dayton; in British Columbia—Cumberland, South Hill, Stewart, Mount Pleasant (Vancouver), North Victoria; and in the City of Mexico. The branches at Elk Lake, Ontario, and Skagway, Alaska, have been closed. Since the close of the year branches have been opened at the following places: Porcupine and Bloor and Dufferin (Toronto), Ontario; The Pas, N.W.T.; Brooking, Lamer-ton and Nutana, Saskatchewan; Chilliwack and Salmon Arm, British Columbia.

As is usual the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office have been thoroughly inspected during the year.

Your Directors desire again to record their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

B. E. WALKER,
President.

TORONTO, 10th January, 1911.

In moving the adoption of the Report, the President called on the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS.

The General Manager then said:
We have pleasure in presenting you with a statement which is in many respects a culminating record in the Bank's history. The past year was remarkable for a large volume of business and general prosperity, which justified our predictions when last we had the honour of appearing before you. At no time during the year was there any apprehension lest we should fall short of our estimates. The trend of business, uniformly satisfactory profits, and

comparative freedom from losses make it possible to lay before you the results of our operations with great confidence and a full assurance that they will meet with your very cordial approval.

The profits for the past year were \$1,838,065.04, an increase of \$327,370 as compared with those of the previous year—being 18.38 per cent. on the paid-up capital. This result was obtained after making a careful revaluation of our assets and ample provision for all bad and doubtful debts.

In accordance with our recommendation your Directors increased the dividend to nine per cent. per annum, which called for a payment of \$900,000. We are gratified that our present and prospective prosperity justifies the expectation of a larger return on your capital, and it will be our pleasure to suggest the payment of ten per cent. for the coming year.

In our last report we made reference to our expenditure for the erection of a larger building at Winnipeg, and the necessity for increasing our equipment throughout the country, and particularly in the West. We cannot escape our duty in this respect, and while we do not expect our requirements to call for a continuance of unusual expenditures for Bank Premises, we are not unmindful of the fact that we must keep pace with the growing needs of a great development. We have this year written off Bank Premises Account \$300,000, leaving \$2,276,395.21 to represent the value of our properties. This is in accordance with our policy enunciated in previous reports.

You were good enough to pass a resolution at the last annual meeting authorizing the grant of \$20,000 as a nucleus for a Widows' and Orphans' Fund, and this sum, with the regular payment of \$30,000 towards the Pension Fund, accounts for the \$50,000 charged against profits for this year. After very careful investigation and actuarial examination, we are pleased to say we have been able to adopt

a comprehensive scheme to embrace in one fund a beneficent recognition of every member of the staff. We cannot express too strongly our gratification at this consummation of our desire for the welfare of the service. This crowning act will do much to foster the best interests of the Bank, so zealously guarded since its establishment.

After providing for these appropriations we were able to transfer to Reserve Account \$1,000,000, and to carry forward \$310,204.06 in Profit and Loss Account.

The disappointing crop yield of the West, and the moderate movement of grain to terminal centres, did not do more than emphasize the need for increased circulation during one period when we find it necessary to take advantage of the emergency circulation privilege. The highest point reached in the Bank's circulation for 1909 was \$10,994,000, and the emergency circulation disappeared on 27th December of that year. The maximum amount reached during November, 1910, was \$10,375,000, but this has been increased during December, and there are indications that before the transfer of grain from country points has been completed we may experience difficulty in providing the necessary circulation, if we are expected to withdraw before the first of February next the additional amount issued under the Bank Act Amendment of 1908. A reasonable solution of the difficulty would be a large increase of capital by the banks; but as it takes time to make this effective, it would not be unreasonable to ask the indulgence of the Government to extend the period of redemption until March.

Our deposits show an increase of \$6,347,275, which we regard as a healthy growth under this head; the accession of special amounts of a temporary nature, mentioned in last year's statement, equalling the withdrawals during the year. On account of the expansion of our commercial business in Canada current loans and discounts have increased \$10,900,344, and this necessitated the withdrawal

of \$9,523,788 from our call and short loans in the United States. We report \$2,167,410 more cash on hand than in last year's statement, and our quick assets equal 45 per cent. of our liabilities, excluding capital and surplus.

The extraordinary development of Canada, the manifest need for the extension of our system to meet the requirements of a rapidly growing business, and the protection of our business at points where we are already established, make it imperative that we should do our duty in opening branches, often anticipating the necessities of the case. We are not unmindful of the criticism activity of this kind engenders, but are conscious of the fact that we are expected to do our full share in the upbuilding of the country which gives us privileges with the understanding that our service will be commensurate with our opportunities. We realize our accountability to the shareholders of this Bank who have entrusted us with a large investment, and we believe you will be satisfied with the assurance that we exercise a prudent caution as we continue to open branches in new fields.

The occupation of an extended territory with a network of branch banks gives us serious thought when we come to the question of suitable and efficient management. This is always a difficult problem, but we have been fortunate in selecting an active, intelligent and loyal staff who have shown a devotion to duty in circumstances not always very agreeable, and in which the ordinary comforts of life often cannot be obtained. We take pleasure in acknowledging our indebtedness to your Directors for a willing acquiescence in every suggestion for a proper recognition of the faithful work of able assistants who are asked to assume exceptional burdens of administration.

We have closed a very satisfactory year, our accounts showing unusual profits and a healthy advance in material prosperity. There was a steady and persistent demand for money to care for the needs of merchants, manufacturers,

and our farming community, with rates fairly well maintained, the fluctuations being unimportant, notwithstanding the uncertainty of financial affairs in other centres with which we are intimately connected. The outlook for easier conditions in Great Britain will probably result in the sale of Canadian securities abroad in large volume, and the prospect of cheaper money in the United States may have a reflex influence here; but with the great development in all parts of Canada there should be employment at remunerative rates for funds to carry on ordinary business, and all the indications are favourable to active trade along safe lines. We enter the coming year with a confidence begotten of past experience, and hope to share in the general prosperity, and to enjoy reasonable freedom from undue anxiety in the management of our institution.

PRESIDENT'S ADDRESS.

The President then said :

Doubtless the feeling most strongly present at the moment regarding business conditions in Canada is that we are enjoying a prosperity as great as we have ever known. Whatever significance the check of 1907 had at the time or should still have, even the memory of it seems to have passed away, and with larger foreign and home trade, larger bank clearings, a larger amount of building in cities, a larger amount of railway construction and larger immigration than in any previous year, it would be strange if we felt otherwise. Our Western crops were not to our liking this year; bankers know that a little more expansion may make money scarce, and the pace of real estate speculation has brought on the inevitable temporary exhaustion, but important as these things are, they have little effect on the situation as a whole. Even the large reduction in the volume of business in the United States is regarded as mainly due to political unrest and as having no direct bearing on our position. That we are experiencing

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NEW WESTMINSTER, B.C.



very great prosperity is a matter evident to all, but if we examine in detail the circumstances accompanying this prosperity, there is much that is not satisfactory. Great Britain is a country which can afford to import much more than it exports because the world owes it annually an enormous sum for interest and other things, for which it must of course take payment mainly in merchandise. The United States is a country which should export annually about \$500,000,000 more than it imports in order to pay for interest, and for the money drawn from the country by permanent absentees, tourists, emigrants to Canada, etc., and because it cannot afford to increase its debt to foreign countries, having already about 100,000,000 people and a scarcity in many raw materials. Canada is one of the new countries which is entitled to, and which must, during its period of rapid settlement, import more than it exports. The difference is met, however, by debt obligations which must some day be paid. The question, then, as to how much we should go into debt is the same which confronts the individual in trade, but the considerations are so large and so complicated that it is hard to know when we are wise and when unwise. What is certain, however, is that when a man is in debt he should live sparingly, not extravagantly, and that if, with the money he has borrowed, he has put himself in the way of making a product with which he hopes to pay his debt, he should strain every nerve to make and sell as much of that product as he can, in order to reduce his indebtedness to the lowest point possible. Now Canada is somewhat like a man who, having a rich inheritance in land, borrows to develop it, and, confident of its future value, spends freely for his present gratification, while he does not make effort enough to create the needed present revenue from his property.

During the fiscal year 1910 of the Dominion Government our imports and exports both reached record figures. Our imports were \$391,803,000 and our exports \$301,358,000,

the balance against us being \$90,445,000. The excess of imports is not a record, having been exceeded in 1907 and 1908, but it is, as was expected, a great increase over the previous year, when, because of the contraction in 1908, the excess of imports was only \$48,162,000. The total of our foreign trade was \$693,161,000, more than three times the volume of twenty years ago. It is unfortunate that we cannot estimate, even roughly, the volume and growth of our domestic trade during the same period. Our imports from the United States were larger than ever, \$237,693,000. This is almost twice the amount of ten years ago. Our exports were a trifle less than in 1908, being \$113,145,000. The sum we had to pay to the United States in money was therefore \$124,548,000, or more than two and a half times the amount we had to pay ten years ago. This money was obtained partly from the surplus in our exports to Great Britain, partly from the sale of securities in Great Britain and Europe, and to a small degree from investments in Canada coming from the United States and the wealth brought in by settlers from that country. Our imports from Great Britain were \$95,677,000, a trifle less than those of the record year 1908. Our exports were a record, being \$149,634,000, against \$134,484,000 in 1908. The surplus in our favour was \$53,956,000, a smaller figure than in six of the last ten years and about eighteen millions less than in the most favourable year, 1903.

It is clear that if we chose we could largely increase our exports. We know that in almost all parts of Canada the majority of farmers produce very much less wealth per acre than would be possible with greater effort and with the necessary labour available. The farmer who has no mortgage or other debts, who finds labour extremely hard to obtain, whose standard of comfort is fixed, and who is no longer young, cannot easily realise that he has any duty to the State which he does not perform, nor can any pressure be brought to bear upon him

except by friendly argument and practical illustration. The fact remains, however, that, because the farmers as a whole do not produce more, our debts to other countries for national expenditure made in anticipation of future development are more burdensome than is necessary.

The total value of the field crops of Canada, at local market prices, as estimated by the Census Department, is \$507,185,000, the product of 32,711,062 acres. The corresponding figures for 1909 are \$532,992,000, from 30,065,556 acres, and for 1908, \$432,534,000, from 27,505,663 acres. The loss in 1910 was in wheat, oats and barley, in which the acreage was 20,992,900, with a value of only \$248,738,000, against 18,917,900 acres in 1909, with a value of \$289,144,000. So that, while the decrease in all field crops is \$25,807,000, the loss in wheat, oats and barley alone is \$40,406,000, leaving a handsome increase in all other field crops.

Our clearing house returns again reflect the great growth in business. The total of the seventeen clearing houses for 1910, two being only a few months old, is \$6,154,000,000, as compared with \$5,204,000,000 for 1909, a gain of eighteen per cent in the year. There is a gain in every clearing house in Canada, most notably in Edmonton, Calgary, Victoria, Vancouver, and Montreal.

The building permits in the four chief cities will illustrate forcibly the growth of Canada. Hundreds of towns and cities would show similar proportions of growth could we but find space in which to give the figures.

	1909.	1910.
Montreal.....	\$10,713,000	\$15,815,000
Toronto.....	18,139,000	21,127,000
Winnipeg.....	9,226,000	15,106,000
Vancouver.....	7,203,000	13,150,000

With the Montreal figures for 1909 are included those of municipalities which in 1910 had become a part of the city.

The most curious feature in Canada at the moment is the outbreak from time to time of agitation, stirred up sometimes by guilds, sometimes by strikes, and often by city councils, but always by one set of interests against another. We have a more general prosperity than could readily be found elsewhere, now or in the history of the past. The only people with a just complaint are those whose labour and brains are paid by a more or less fixed recompense, which is not adjusted in accordance with the change in prices. These are the people who, as a rule, do not complain, perhaps because their fortune is the same in every country. In the case of the majority of our wage-earners there is some adjustment, whether sufficient or not. In any event, the overwhelming bulk of our people share in our prosperity, which, be it remembered, is the result of our *combined* activities. It is not due to the farmer alone, nor to the mechanic, nor to the railroad, the bank, the manufacturer or the shopkeeper. It is the result of the fortuitous circumstances under which we are enabled by our combined effort to make profitable use of the natural resources of Canada. Is it not, therefore, most regrettable that, instead of each individual finding happiness and contentment in his own prosperity and in his share in building up this country, which is his guarantee of future well-being, we agitate merely that we may still further profit as individuals, even if other Canadian industries are made to lose or are destroyed thereby?

THE MARITIME PROVINCES.

While there is perhaps less change from year to year in the Maritime Provinces than in most parts of Canada, there is a slow but steady improvement in many industries,

and the year just closed has been one of marked prosperity. The results from general agriculture have been perhaps the best in the history of this part of Canada, both as to yield and as to price. The value of the field crops of the Maritime Provinces in 1910 was \$50,150,000, compared with \$49,684,000 for 1909. Potatoes suffered so severely from rot and the yield was so small that this important crop brought in only about half the usual returns. Apples and other small fruits, excluding berries, were most unsatisfactory—apples being less than one-third of a crop—but in other products, especially hay and grain, crops and prices were so good as to second the admirable efforts of the Agricultural College to impress upon the people how profitable are the results to be obtained from land which is fertile and near to good markets, but which lies idle largely because the people of many parts of these provinces have been used to other pursuits. In Prince Edward Island dairying and stock-raising are increasing in volume and have been very profitable during the past year, and the same is true of some parts of Nova Scotia, but in New Brunswick, notwithstanding the higher prices and the fine hay crops, much less cheese and butter is made than five or ten years ago, many less cheese factories and creameries are in operation, and the stock of horses, cattle and sheep is actually less numerous than ten years ago.

The fishing industry, as usual, presents varied features, the total result being satisfactory. The catch on the Banks has been the largest in many years, but that on the Northern Newfoundland and Labrador shore was smaller than usual. The general catch of cod, herring, smelts, oysters, etc., has been very satisfactory; that of lobsters and mackerel unsatisfactory in some places and plentiful in others. The total catch of lobsters turned out well and brought good prices. Protection for mackerel and lobsters, however, seems very necessary, and, with this in

view, improved methods are being adopted. Prices for dried fish are higher—indeed in Boston the record price since the Civil War was paid in November.

The cut of lumber in New Brunswick has been larger than in 1909 and in Nova Scotia slightly smaller. The market for deals in Great Britain has been satisfactory, but suffered somewhat from the fear of cotton strikes in Manchester. Yards, however, have been cleared out, and a good market is expected with the turn of the year now that the elections in Great Britain are over. Markets for pine, both abroad and in the United States, are very good, but in spruce only first-class grades find a satisfactory market in the United States, and a considerable amount of low-grade stock will be carried over. Latin-American markets are good. For hardwoods, piling and pulp there is a sufficient demand. There is a growing appreciation of the great and permanent value of timber lands under intelligent management, and Nova Scotia has adopted the policy of holding the timber-bearing Crown Lands and of selling only the stumpage.

In almost all manufacturing industries there has been an improvement during the year, and the output of coal is now approaching the normal amount after the severe strikes. In the last ten years the increase in the shipments to the St. Lawrence has been about 100 per cent., which gives some idea of the necessity of that market to the miners of Nova Scotia. The output of coal for 1909 was more than our estimate a year ago, being 5,106,000 tons. For 1910 the estimate is 5,850,000 tons, all but a trifling portion being produced in Nova Scotia. In steel-making it is claimed that improved methods of manufacturing will offset the approaching termination of the bounties. The quantity produced in Nova Scotia is slightly larger than in 1909, with higher prices. The outlook for 1911 is good, notwithstanding the fact that the quantity produced in the United States is likely to be smaller than usual with lower prices. Large additions to

plants are being made with a view to increasing the output.

ONTARIO AND QUEBEC.

A year ago, despite some fluctuations in conditions, the record of agriculture in Ontario and Quebec was most satisfactory. This year the record is still better, and it is questionable if as regards yield or prices, excepting in the case of fruit, potatoes, and one or two minor articles, a more generally successful result was ever obtained by our farmers. High prices in 1909 had caused a larger acreage of grain to be planted, farm work began early in the spring, fall wheat came through the winter well, harvest results were excellent, hay gave a large yield, roots in most localities did well, cattle, horses, hogs, poultry, eggs and all dairy products brought high prices, but the supply was unfortunately always insufficient. The value of the field crops of Ontario and Quebec for 1910 was \$301,109,000, compared with \$290,469,000 for 1909.

Although in the fruit districts where apple growing is carried on scientifically as fine apples were produced as could be desired, the crop as a whole was as great a failure in Ontario as in the Maritime Provinces. In neither district can accurate statistics be obtained, but the quantity shipped from Montreal is sufficient to show what a bad crop means. In 1910 the shipments were only 163,000 barrels, there being no recent year comparable with this except 1901, when shipments were only 122,000 barrels. The highest figure reached was in 1903, 732,000 barrels, and the average of eight ordinary years was about 515,000 barrels. Doubtless no care would have averted the main cause of a lessened crop, but with scientific methods the number and size of the apples would always be greatly increased and the quality greatly improved.

We used to be able to follow closely the growth of our dairying industry by using the figures of the shipments of

cheese and butter from Montreal as examples, but new conditions have arisen and these figures are now of little use. The consumption of butter in Canada and of cream in Canada and the United States has practically destroyed our foreign trade in butter, which one year reached 573,449 packages, valued at \$7,400,000. The same causes have kept our cheese exports almost stationary for three or four years. The figures for 1910 are 1,892,000 boxes, worth \$17,503,000, as against the record of 2,395,932 boxes in 1903, valued at \$21,500,000. One great departmental store collects direct from the farmers sufficient milk to keep several cheese factories busy.

Successful as the year has been with the farmers of the East, there is a growing conviction that this part of Canada is at the moment a land of neglected opportunity, largely owing to the easy success of those who have taken up the cheap lands and virgin soil of the West. While many think that more effort is necessary to success in the East, facts gathered from recent experience show that in no part of Canada can a larger return be obtained in proportion to the intelligence employed than here in Ontario. We have one of the best and most famous of Agricultural Colleges, and wherever one of its students is farming, the effect of his knowledge on his own farm and the influence of his example on those of others is most marked; but there are many parts where no such examples of improved methods exist, and the Government has now adopted the plan of taking the College to the farmer. The Farmers' Institute lectures and the Agricultural Fair prizes have done and are doing much good but the new effort is of a much more effective and practical nature. It is sought by demonstration farming actually carried on by experts acting for the Government, and by visits paid to various parts of the province by experts who are able and willing to give advice, gradually to break up that condition of contentment with the farming of our fathers

which is so great an enemy to progress. If young men can be shown the results of a thorough knowledge of stock raising as compared with not knowing, of caring for orchards instead of not caring for them, of systematic manuring and of proper drainage, of a knowledge, indeed, of the many things which bring about the enormous difference in results between old-fashioned and up-to-date farming, we may hope that more farmers' sons will stay on the land and that many city men will settle there, and that increased wealth and happiness will be the result. But actual results are more powerful arguments than mere preaching. An orchard in Ontario which yielded prior to 1909, \$100 worth of apples annually, produced in 1909 in new hands fruit worth \$1,437, the net profit on which was \$974, in addition to apples not suitable for eating worth more than the whole crop before the orchard was properly cared for. In other cases 8 acres of orchard produced \$2,489 gross and \$1,890 net; 5½ acres produced \$2,237 gross and \$1,720 net; 1½ acres produced \$539 gross; and many cases of yields in money from \$150 to \$300 per acre could be shown, the result varying of course with the age of the trees, but mainly with the practical knowledge of the fruit grower. In vegetables one man with 17 acres raised 127 tons of cauliflower which he sold for \$30 per ton, a return of about \$225 per acre. We know that for years large profits have been made in Ontario growing fine roses and other flowers for New York and other United States markets, but we now hear of one experienced hybridizer, who is also a banker, who has made himself famous as well as prosperous as a producer of innumerable species of gladioli, which are in demand in all quarters of the world. It must be remembered that these results are not due merely to the proximity of a market, but that in almost any part of Western Ontario similar things can be done. Too much credit cannot be accorded to the Department of Agriculture of Ontario for the effort it is making, and we can but hope

that the number of lecturers and demonstrators will be increased and that they will be persistently kept at work as a permanent force working for agricultural improvement. In some parts already a new tone has been given to farm affairs, emigration to the West has nearly ceased, farm values are increasing, and intensive farming is a subject of general and keen interest.

That a more enterprising spirit is necessary may be readily gathered from the statistics of live stock in Ontario. From 1901 to 1907 the number of horses on hand grew from 620,000 to 725,000, but since that year there has been practically no increase. The number sold annually has, however, increased from 51,000 in 1901 to 98,000 in 1910, which is evidence enough of the difficulty of maintaining a stock on hand. The number of milch cows in 1901 was 984,000, in 1907 1,152,000, in 1910 only 1,052,000. The number of other cattle in 1901 was 1,523,000, in 1906 1,834,000, and in 1910 only 1,514,000. The number of stock slaughtered, however, rose steadily from 610,000 in 1901 to 817,000 in 1910. In sheep and lambs the story is one of steady decline from 1901 to 1910 in both the number of those on hand and of those slaughtered. In swine the number on hand rose from 1,491,000 in 1901 to 2,049,000 in 1907, and fell to 1,561,000 in 1910, while the number slaughtered rose from 1,973,000 in 1901 to 2,267,000 in 1905, and fell to 1,844,000 in 1910. In poultry of all classes there has been a satisfactory increase in the number on hand and in the number annually killed. It will be seen from these figures, which are mainly taken from reports of the Agricultural Department of the Province of Ontario, and do not agree very closely with those of the Census Department at Ottawa, that we are meeting a greatly increased demand by decreasing the stock on hand, and such a state of things cannot of course continue long. Many quite natural causes have led to this result, and others will tend to remedy it to some extent

in the near future. Hay being scarce, high prices prevailing for coarse grains and the highest prices ever known for cattle, the farmer has in many cases sold both cattle and coarse grains, instead of feeding his stock as usual. But food crops are now more plentiful, and we may look for an increase in the stock of animals on hand.

In all manufacturing centres the story is one of a general enlargement of plants, an increase of wages and a difficulty in filling orders, with prosperity to the local shop-keeper as one of the natural consequences. The output of pig iron, steel rails, ingots, etc., at the important plants at Sault Ste. Marie and Hamilton show large increases over 1909 in all articles.

Building operations are being carried on at a pace which clearly reflects our prosperity. The farmer is spending more than usual on tile draining and on outbuildings, in the construction of which cement is now largely used; in towns and cities extensive municipal improvements are general; while ordinary building operations for business and other purposes exceed all previous experience.

Flour milling, one of our most important industries, has done reasonably well, but much less so than in the previous season of abnormal profits. Indeed, competition in the business has reached a rather unhealthy stage, and it would be well if there were no more expansion in this business for a time.

The conditions of the lumber market are not very different from 1909. There has been a ready sale for high grades both abroad and in North America, and a satisfactory market for intermediate grades, but the sale of low-grade lumber is still seriously interfered with by Southern pine, which has for the time being taken away our market in the United States and even invaded Canada. Just at the end of the year, however, there seems to be a better demand for low-grade lumber.

Although there has been no new development at Cobalt, and public attention has been drawn away from it to the new gold fields of the Porcupine district, the output of silver for 1910 will be about \$14,500,000 against \$12,461,000 for 1909. The larger result is due to an increase of about 3,000,000 ounces in the quantity mined and a better price for silver. Up to the present out of a total product of \$48,000,000 since the camp began, about \$24,500,000 have been paid in dividends. The world's production of silver for 1909 was worth \$107,000,000, and of this Cobalt's percentage was 11.6. The value of the total production of minerals in Canada for 1909 is estimated at \$90,400,000—just about half metallic and half non-metallic. This amount is of course the largest in our history, and compares with \$49,234,000 ten years ago and \$14,013,000 twenty years ago.

While it is our habit to turn to cities in the prairie provinces or in British Columbia for evidence of unusual growth, it may be well to note that in a list of Canadian cities recently compiled in order to exhibit growth of population, Fort William and Port Arthur exceed all others, showing an increase in ten years of 350 and 300 per cent. respectively.

MANITOBA, SASKATCHEWAN AND ALBERTA.

Considerable disappointment, as we all know, accompanies the record of what is nevertheless another year of progress in the prairie provinces. The wheat, oats and flax reaped in the previous year were the highest in grade, and the whole crop was the largest and produced the largest sum in money ever known. Under such conditions the acreage for 1910 was naturally increased, not merely by older farmers but by new settlers preparing their first crops. With an early spring everything promised well, but because of many adverse conditions a smaller and less highly

graded crop was the result. Our estimates in August were:—

Wheat.....	88,000,000 bushels
Oats.....	90,000,000 bushels
Barley.....	17,000,000 bushels
Flax.....	4,000,000 bushels

Other estimates are as high as 104,000,000 bushels for wheat and 128,000,000 bushels for oats, but we do not expect either wheat or oats to reach 100,000,000 bushels. About 60 per cent. of the wheat is fit for milling, and oats and barley grade badly. The flax crop was larger than in 1909 and the price during 1910 has been as high as \$2.54 per bushel, and is still most unusually high, so that the crop is much more important than might be supposed. The money result from the crop: of the three prairie provinces, as estimated by conservative Western opinion, will be about \$20,000,000 less than for 1909. The estimate of the Census Department, which includes all field crops, is less favourable. The total field crops for the three provinces for 1910 are valued at \$155,926,000, as compared with \$192,839,000 for 1909, a less amount by about \$37,000,000. Much of the shrinkage in value is due to decline in price.

The smaller yield of the crops of these provinces is due to unfavourable weather in three districts, Southern Alberta, Southern Manitoba and South-Western Saskatchewan. In the northern districts and in some southern parts results were most excellent. In the districts where results were generally unfavourable, however, isolated cases stand out, clearly showing splendid results obtained, despite the weather, simply by scientific farming. Agricultural conditions at the moment in Southern Manitoba and parts of South-Western Saskatchewan are unsatisfactory because of lack of moisture, while in Southern Alberta, because of plentiful moisture during the last few months, the prospects are as good as could be desired. For some years the neces-

sity of more advanced methods in such older parts as Southern Manitoba has been painfully evident. May we now hope that the Government of Manitoba as well as the farmers will forthwith do the quite obvious and not difficult things necessary to redeem and maintain the reputation of this part of Canada as a grain-producing country. Undoubtedly the crop is largely reduced every year by the prevalence of weeds, and it is clear that the Provincial Government cannot take too much trouble to remove this evil as far as possible. Enough has been done by individual cases of good farming to show how much larger the profits of agriculture in the West should be. The results of the present poor crop have been improved by the fact that mixed farming has been increasing—indeed, that is one direction in which Southern Manitoba is already working out the reform made necessary by the impoverishment of the land as a result of repeated grain crops.

There is no question of more importance to Western development than that of improving the breeding of live stock and of increasing their numbers. We are witnessing the gradual extinction of the rancher and the gradual establishment of a great grazing and feeding industry. It is naturally difficult by the increase due to the slower methods of the latter to make up for the losses consequent on the passing of the rancher, but the outlook as a whole is promising. The Live Stock Exhibition at Winnipeg in 1910 exceeded all records in the number of high-grade animals shown, and these were of such excellence that little further improvement can be looked for, some classes having been the finest ever shown in America. The progressive Western farmer is demonstrating to his fellows that if each of them will, as soon as he can afford it, raise a few head of high-grade stock, the disappearance of the rancher will redound to their gain, and the problem of maintaining a sufficient supply of animals will be solved. As matters now stand, stocks are not as large as they

should be, nor are they increasing as fast as they should. Statistics do not go far enough back in Saskatchewan and Alberta to be of much service, but in Manitoba horses have increased in numbers only about 50 per cent. in ten years, cattle a trifle more than 50 per cent., sheep have lessened in number, swine have increased about 100 per cent., and poultry about 65 to 70 per cent. Such statistics as are available show that stocks on hand for the three provinces are about 870,000 horses, 2,300,000 cattle, 345,000 sheep, and 608,000 swine. Figures for poultry seem unreliable, but apparently there are not yet half as many as in Ontario. One has only to look at the map and consider the small part of Ontario that is farmed, and to compare it with the West, in order to see how very much must be done before it can be made impossible for the Vice-President of the C.P.R. to reproach Manitoba with the importation of 12,000,000 eggs in one year over that railway alone, and to say further that the poultry and cream for their dining cars must be obtained partly in the United States.

In lumber the year was one of anxiety, for the manufacturer, the wholesaler and the retail dealer alike. Logging was difficult because of unfavourable weather, the water in the streams in spring was low, extensive forest fires and large losses of manufactured stock by fire affected the situation. The inability of the manufacturer, however, to supply as much as usual held prices firm, and this was the more necessary because of the lessened purchasing power of the farmers where crops were not good. On the whole, a fairly profitable year resulted. For the coming year prospects are bright, counting upon fair crops, but because of the enforced cutting of areas burnt over, stocks may be increased.

The storage capacity of terminal and inland elevators has increased from 63,190,000 bushels in 1909, to 77,901,000 in 1910.

The railways are again to be congratulated on the manner in which they handled the crop. It is estimated that by the close of navigation 60,000,000 bushels had reached the head of the lakes. Terminal facilities for handling the crop have still further improved, and through the Lake Shippers' Clearance Association vessels can be loaded and despatched with much greater rapidity than heretofore. There has been the usual large increase in the mileage of railways, with the prospect of a still greater increase in 1911. In addition to Winnipeg there are now many important railway centres, such as Brandon, Regina, Moosejaw, Weyburn, Saskatoon, Prince Albert, Yorkton, North Battleford, Edmonton, Calgary and Lethbridge.

During the first nine months of 1910 the number of immigrants entering Canada was 274,901, divided as follows: from Great Britain, 96,924; from the United States, 96,366; from Continental Europe, 81,611. For the year 300,000 is apparently a safe figure, and we have official estimates as high as a third of a million. Of this number, taking the returns to 1st October and estimating the balance of the year, about 180,000 will settle in the three prairie provinces and British Columbia. Of these about 80,000 are from the United States, 70,000 from Great Britain, and the balance from Continental Europe. As far as capital, in cash and effects, is concerned, the average United States settler has somewhat more than \$1,000, the average British settler about \$150, while the Continental European will bring about \$10 in money and little, if any, settler's effects. Sales of land, payments on account of land sales, and homestead entries all exceed the totals of the previous year, Saskatchewan leading the other provinces.

One of the most interesting things in the settlement of Canada is the work of the superintendent of the irrigation schemes of the Canadian Pacific Railway. The policy of providing "ready-made" farms is succeeding admirably,

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NORTH BATTLEFORD, SASK.



and the dryness of the past season has drawn attention to the value of irrigation in Southern Alberta. Sales of land in the irrigation area have been very large during the last three years, and have lately averaged a million dollars a month. The railway company naturally favours sales which result in immediate occupation. Their plans have succeeded so well that an appropriation of \$8,000,000 is said to have been voted by the railway board in order to carry the irrigation system further east.

Despite lean crops in the south, farm lands have increased in price in almost all districts. In towns and cities the increase in assessments, in building operations and in population is even more startling than in previous years, while in the already numerous manufacturing establishments of Winnipeg there is the same increase in plant and output as in the East, and with the advent of cheap power we are, doubtless, destined to see a great manufacturing centre rapidly created. There are said to be already in Winnipeg 236 manufacturing establishments, with an annual output of \$36,500,000. In 1910 there were 65 industrial companies incorporated, with an authorized capital of \$16,000,000; while 13 existing companies increased their capital by \$3,000,000.

We regret that it is impossible to supply the details of the extraordinary growth of several of our western cities, but we cannot refrain from recording that in 1910 Winnipeg was the largest actual wheat market on the North American continent.

BRITISH COLUMBIA.

British Columbia experienced a year of great and general advancement in 1909, and this was continued throughout 1910. Immigration, at first slower than in the prairie provinces, is now steadily increasing, and it looks as if the unusual resources of this extensive part of Canada would gradually become known to the rest of the world. As far

as the settler is concerned, those who are willing to work and to accept the social conditions of a new country can hardly fail to succeed, but too many of those who have already failed elsewhere are not desirable even in this rich land. Capital is flowing to British Columbia in a continually increasing volume, especially from Great Britain. Here, as elsewhere in Canada, there are sources of information by the use of which the investor may be guarded from those who, having something to sell by flotation or otherwise, are not regardful of the truth in their efforts to be successful. In this province, with its extensive undeveloped areas of coal, iron, copper, silver, etc., its remarkable timber and still more remarkable fisheries, its rich valleys capable of bountiful production of fruits, vegetables and other farm produce, as well as of live stock, it is not easy to guess either the limits to its eventual greatness or the rate of its progress relatively to its extended area.

As elsewhere, farm lands continue to advance in price, and so do fruit lands, but the railway development in the northern part of the province and in other districts will give the settler without capital his pathway to success. The growth of cities in British Columbia is so rapid that large quantities of food stuffs have at present to be imported from the United States, and it can readily be seen that agricultural settlement is necessary and should be profitable. Fruit growers had a profitable season both as to yield and price, although the total yield is not large compared with what it will be when the areas being planted year after year are in bearing. Ranchmen and graziers had a good winter, and prices were high when their stock was marketed.

The salmon catch was 762,200 cases, against 629,460 cases in 1906, the year of natural comparison, the increase being in the catch on the northern rivers, while fishing on the Fraser River was again unsatisfactory. This industry was perhaps never in such a

sound condition financially, nor so capably managed by the owners. With proper protection to the fish, and no effort should be spared to assure this, salmon fishing may be preserved as one of the leading sources of wealth in this province.

In halibut fishing we own another great source of wealth, but we regret to have to repeat that nothing of much practical value is being done to stop the extensive poaching by Americans. If by indifference or because of the great difficulty of making governments believe that vigorous action is necessary, we are robbed of the value of this natural asset, the damage to Canada will be incalculable. Deep sea fishing is our opportunity to build up on the Pacific coast communities of white fishermen, without which we shall suffer as a nation in a much more serious manner than from the mere loss of money. Capital in a large way awaits the development of Pacific coast fishing. Markets exist in our own country, and halibut and herring fishing if protected will exceed the great salmon industry. Shall we preserve our rights?

The market for lumber opened in good shape, but business was checked sharply by the fear of crop failure in the prairie provinces. It improved again, however, when actual results were better known. Business arising from railway and mining work and from building in cities continued to be active throughout the year. During the dull months there was considerable cutting of prices, but this was not so menacing to the prosperity of the mills as the dumping of United States lumber in Canada, owing to the dull state of trade in that country. The cost of lumber is increasing in British Columbia for various reasons, and a corresponding increase and greater stability in prices seem essential. The immediate outlook for this very important industry is good, apart from the prospect of more dumping from United States manufacturers.

In mining the most important incident was the purchase of the Dunsmuir coal mines by a company formed for the purpose. A very large increase in the output is contemplated. In the Crow's Nest and adjacent country there has been a great deal of activity in dealing in coal lands, and considerable development work has been done, which will undoubtedly result in a much enlarged output in a few years. The production of coal by the established mines has been irregular, and at the end of the year some mines were closed and some hundreds of miners discharged. The total output for British Columbia in 1910 was 3,009,000 tons, compared with 2,340,000 tons in 1909, one small mine, which declines to report, being in each case excluded. Copper mining and smelting in the Boundary country have had another good year. The additional increase in the capacity of the smelters now makes it possible to treat about 2,500,000 tons of ore annually, with a further material reduction in cost. The quantity of ore mined during 1910 was 1,699,000 tons, compared with 1,594,000 tons in 1909. The price of copper averaged 12.86 cents per pound, against 13.05 cents in 1909, but despite the low grade of the ore, the processes are now so perfect that the companies did fairly well. A slight increase in price is expected, and is much to be desired. Labour conditions, which have in recent years been unsatisfactory, and which resulted in a strike for two months at one of the smelters, are now greatly improved because of better relations between the mine owners and the union. Transportation facilities are being greatly improved, there is a prospect of obtaining coal of good coking quality in the Boundary country, and other interests besides mining are actively engaged. There has been an improvement in the mining conditions of the Kootenays, more capital seeking investment there and more development work having been done on old and new properties. The total value of the ores smelted at Trail was about the same as in 1909, be-

twen five and six million dollars. Ore in some mines has been found at depths of from 1,000 to 1,150 feet, and other mines are working successfully at lower levels than in the past. Conditions as a whole have not been so hopeful for many years. Much interest awaits the results of experiments by the Dominion Government, looking to a better system of treating the silver-lead ores so as to save the large proportion of zinc which is now lost.

While the growth of the city of Vancouver is more evident to the outsider it is only an example of the progress in all Western towns and cities. The assessment value in 1910 is four times that of 1905, the building permits and clearing house returns are over five times as large, and the custom house returns are nearly four times as large as in that year.

YUKON DISTRICT.

The gold mining interests in the Yukon District have been passing through a period of change from small holdings with inadequate appliances to large mining companies with the most advanced machinery, so that while the population is still shrinking the output is increasing and wages for all classes are still very high. Extensive power plants have been erected, what is said to be the largest gold-gravel digging dredge in the world is at work, while by the use of steam-pipes one company has increased by 42 the number of working days in 1910 as compared with 1909. The output will be from \$4,000,000 to \$4,500,000 in value, an increase of about 10 per cent. over the figures of 1909.

UNITED STATES.

Conditions generally have not been as prosperous in the United States as in Canada, although there are notable exceptions in some districts. Dissatisfaction because of the non-revision of the tariff and the high cost of living, concern at the falling off in exports and disgust at the ex-

posures of commercial and public corruption, are responsible for this, rather than any failure in crops or natural resources.

In Washington the wheat and other grain crops were smaller than in 1909, and farmers who had made the mistake of holding in 1909 had to sell this year at lower prices. This pressure to sell, however, was largely due to extensive land speculation by farmers, happily checked for the time being. With a smaller yield and lower prices this has been one of the poorest of recent years.

Fruit growing is increasing rapidly, especially in the irrigated districts, apples being the main crop. Of about 400,000 acres under irrigation probably 60,000 to 70,000 acres are orchard lands, and these are being increased at the rate of about 20,000 acres a year. Only a small portion is in bearing, but the product in money this year was about \$7,000,000 or \$8,000,000, of which about \$5,000,000 was from apples. We hope that by next year proper statistics will be available. Dairying in this mild climate makes rapid progress, but no actual figures are available.

The salmon and halibut industries have both had an excellent season, and prices have been so high that almost without exception the dealers are in very easy circumstances.

The lumber trade promised well in the spring, but conditions during most of the year were quite unsatisfactory. Large stocks had been manufactured, and pressure to sell brought prices down to very unprofitable figures, so that even logs, which in this district are so near the mill as to permit of the supply being easily regulated, fell sharply in price. While the unsatisfactory conditions are mainly due to the state of trade in the United States generally, they are also due apparently to over-production, a difficult matter to control where mill-work goes on all the year round. The cut of lumber in Washington in 1909 was 3,863,000,000 feet, considerably more than in any other

State. The State suffered in 1910 from unusually destructive forest fires.

The trade with Alaska is on the whole satisfactory. It is not as large as in the most prosperous days of placer mining, but is on a sounder basis. Alaska is developing rapidly, but suffers much from the failure of Congress to adopt a rational policy regarding its large coal and other mineral resources.

Oregon has had a year of prosperity equal to 1909. While the wheat crop of Washington, Oregon and Idaho was 50,500,000 bushels compared with 61,400,000 in 1909, the crop of Oregon alone was 17,750,000 against 14,250,000 bushels in 1909. The crop of hops has also been considerably larger. Conditions in lumber have been unsatisfactory, but better than in Washington, and with an improving tendency at the end of the year. About one-sixth of the standing timber of the United States is in Oregon. There has been unusual railroad development, and large tracts of land hitherto used for cattle and sheep raising are being converted into farms, the lands made subject to irrigation, and settlers encouraged to grow wheat and fruit.

Crops throughout California have been large. They have been harvested under good conditions, and as a whole the return to the producer is the best ever known.

In nearly all varieties of fruit the crops have been excellent both as to quality and quantity, the growers have received a fair price and the canners have readily disposed of their stocks, one large company packing over 1,000,000 cases more than in 1909. The conditions surrounding this very great industry are more favourable than they have been for many years. The crop of citrus fruits promises to exceed 50,000 cars, as against 41,592 cars in 1909. The demand for all grades of salmon has been the greatest ever known. Packers have been unable to fill all their orders, and prices of different grades have advanced from 10 to 30 per cent.

The growth of the production of petroleum continues to surprise us. In 1880, 40,500 barrels were produced; in 1890, 307,300; in 1900, 4,330,000; in 1909, 58,192,000, and for 1910 the quantity is estimated at 75,000,000 barrels. In 1907 the value of the gold produced in California was \$16,728,000, and of the petroleum \$20,155,000. In 1909 the value of petroleum exceeded that of gold by over \$8,000,000, and in 1910 the excess is likely to be about \$15,000,000.

The sugar crop of the Hawaiian Islands, largely handled through San Francisco, is estimated at 530,000 tons. It produced an average of \$83.90 per ton, as against \$77.81 in 1909. Owing to the unprecedented crop in Europe, said to be 7,900,000 tons, and to an increase of about 200,000 tons in the crop in Cuba, lower prices are probable in 1911. The pack of canned pineapples reached a total of 600,000 cases in 1910. The production of beet-root sugar in California is increasing rapidly, and in 1909 amounted to 126,600 tons.

When California came into the Union in 1850 it had a population of about 100,000. The census figures just published show a population of 2,377,000. The State was never more prosperous, and immigrants are coming in very fast and filling up the valleys in the interior. In four years San Francisco has rebuilt itself at an expenditure, up to January, 1910, of \$177,930,000, a greater sum than the value of the buildings destroyed. In ten years, notwithstanding the loss of people following the fire, the population of the city has increased 21.6 per cent. It is only in a State with extraordinary productivity that such things are possible.

MEXICO.

As you will know, we are now interested in Mexico. Business conditions there have been a little slower in recovering from the contraction of 1907 than in other parts

of North America, largely because the country depends for its development so much on the introduction of foreign capital. Speaking broadly, the supply of foreign capital has been drawn from the following sources:—

1. British, including Canadian, about \$700,000,000; about 60 per cent. being invested in railways, 15 per cent. in mining, and 25 per cent. in agricultural and other industrial enterprises.

2. United States, about \$1,000,000,000; about 35 per cent. invested in railways, 45 per cent. in mining and the balance in other industries.

3. French, German, Belgian, Dutch and Spanish, about \$300,000,000, invested largely in bank stocks, in manufactures, and in wholesale and retail trade.

The Germans control the hardware trade, the French the dry-goods, and the Spanish the grocery trade. We find that the trade which might be done by Canada is almost entirely monopolized by the United States, the grain trade excepted. A business not always large but always valuable is carried on with the United States in lard, hams, bacon, canned meats, fish, butter, condensed milk, cheese, fresh, preserved and dried fruits, vegetables, grain, flour, cereal foods, etc. In comparison with this, we figure only as sellers of grain, and doubtless until we can produce more we shall not do any of this trade except grain, but, nevertheless, it awaits us when we are energetic enough to seek it.

The exports of Mexico exceed the imports handsomely, although this may not continue when development in that country is on a larger scale. The total trade for the fiscal year 1908-9 was \$387,633,000, imports being \$156,533,000 and exports \$231,100,000. The corresponding figures for 1909-10 were: Total foreign trade, \$454,913,000; imports, \$194,857,000; exports, \$260,056,000. In every prominent article of export except two there was a considerable advance over the figures of the previous year. All of

these figures should be divided by two to represent our money values.

The general development of Mexico has been retarded owing to the fact that large areas of the most fertile land are held by families who have done little to improve their properties, and who have been content with the trifling return per acre resulting from unskilled labour. The Government is now trying to convert these often vast estates into small holdings, and to encourage farming on more scientific principles. Irrigation is being introduced where required, experimental farms are being established, and the necessity of better tillage, seed and fertilization is being brought to the attention of the farmer. In the same way steps are being taken to improve the breed of native cattle and to take advantage, especially now that ranching lands are becoming scarce in the United States, of the great areas of excellent grazing lands in the Northern and Western States of the Republic. Until recently there has been little restraint upon the ruthless destruction of the great timber lands of Mexico, but as in other North American countries, it now looks as if some steps looking to conservation would be adopted. Mexico possesses immense deposits of iron ore on the Pacific coast, said to be suitable for the production of high-grade steel, but she does not possess great coal measures, such as are found in British Columbia. May these facts not tend to important relations on the Pacific coast between these two friendly countries?

The resolution for the adoption of the Report was then seconded by the Vice-President and carried unanimously.

The Chairman: I will now ask the Vice-President, Mr. Lash, to move a resolution regarding the Pension Fund, the establishment of which you authorized a year ago, and which Mr. Lash, as chief solicitor of the Bank, as well as Vice-President, had had very much in charge.

Before moving the resolution the Vice-President addressed the shareholders, giving them information regarding the foundation, history, and present position of the Officers' Guarantee and Pension Funds of the Bank, and explaining the new provisions introduced into the Pension Fund for pensions and other benefits to the members of the staff and those dependent upon them. He stated that the Pension Fund had been founded on a scientific basis, and that the Board believed that it was now in a solvent condition from an actuarial point of view, and would seek to guard against any change in this respect, due to changes in the conditions under which it was operated, by repeated actuarial examinations at intervals of ten years or so, as occasion might require.

He then moved, seconded by Mr. Flavelle: "That the action of the Board in enlarging the Pension Fund of The Canadian Bank of Commerce and placing it upon a basis sufficient to include therein provisions for widows, orphans and other dependents of deceased employees of the Bank, and for certain payments in the nature of insurance benefits to the representatives or dependents of certain employees be and the same is hereby approved and confirmed. That in addition to transfers from time to time to be made by the Board in its discretion from the amounts at the credit of the 'Officers' Guarantee Fund' and in lieu of sums previously authorized, there be set aside out of the surplus profits of the Bank, commencing in 1911, a sum not exceeding \$100 per annum per member of the Fund, and that out of the sum so set aside there be transferred to the Pension Fund from time to time such sums as the Board may think necessary."

The resolution was carried unanimously.

Mr. Davidson: Having before us such a report and statement as have been submitted to us to-day, I think we may say most heartily that the President and Directors of

the Bank have faithfully and well discharged the trust which has been placed in their hands. I think that this Bank is exceedingly fortunate in having at its head one whose experience is so varied, so broad, and so well directed, and as its Directors men engaged in large undertakings, who have large ideas and the determination to carry them out. The interests of the Bank are well served in their hands. It is also most gratifying to find a sum of \$1,000,000 again placed to the credit of the Reserve Fund. There have been those who have questioned the propriety of colossal Reserve Funds, but those who reflect for one moment upon what a bank means to a country like ours, where almost all undertakings are carried on upon borrowed capital, largely bank capital, will realize how necessary it is that the foundations of these institutions should be laid strong and fast. I have much pleasure in moving: "That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank."

Mr. Silverthorn: I deem it a pleasure and a duty to second the motion. The very favourable financial report for the year, and the able remarks made by the President, extending over such a vast territory, must be gratifying to all those who are present, as they will be to those stockholders who are not here, when they come to read the Report. I trust all will join in the spirit of the motion.

The President: As the hour is getting late I will just thank Mr. Davidson and Mr. Silverthorn for their kind remarks, and say once more that I believe the Board is conscious of the great trust imposed upon it, and that we will try in the future to do as well as we have done in the past, which really means to seek to measure up to the rapidly growing requirements of this great country.

Mr. Kemp: I beg to move the following resolution: "That the thanks of the meeting be tendered to the General

Manager, the Superintendents of Branches, and other officers of the Bank, for the satisfactory discharge of their respective duties during the past twelve months."

I am sure that this resolution will meet with the unanimous approval of everyone here present—in fact, with their very enthusiastic approval. We all know the great ability which Mr. Laird brings to the discharge of his very responsible duties, and it has been a great pleasure to me in travelling about this country and coming into contact with a great many officers of the Bank, to observe their great loyalty to the institution. We are all proud of the Bank, not only as a Canadian institution but as an Imperial institution, and we feel that no small amount of credit is due to the officers who are referred to in this resolution.

I was very gratified to hear the remarks Mr. Lash made in regard to the Pension Fund. It is impossible for the officers of the Bank to embark in many enterprises which are open to other citizens, and therefore it seems fitting that the Bank should take the graceful step it has taken in connection with the Pension Fund. I am sure it must be gratifying to everyone here present to hear what the policy of the Bank is in this connection, that not only are the men provided for, but that the widows and orphans of the faithful servants of this institution are provided for in years to come. I am sure that the motion will meet with the unanimous and enthusiastic approval of everyone here present.

Mr. Blaikie: He would be a very bold man indeed who would say that the thanks of this meeting are not due to these gentlemen. I am reminded of one or two things which I sometimes meet with in dipping into Sir Walter Scott or Charles Dickens. Last night I was turning over some leaves of Dickens, and I came to this remark: "I pass my whole life, Miss, in turning an immense pecuniary mangle." (Laughter.) That is just what the staff are doing. The shareholders are very much obliged to them

that they turn the mangle to such splendid purpose, so that the Bank is able to put out such a statement as this, and they hope their efforts will by-and-by result in adding something more to the dividend. Not that this should be done too soon. Act carefully, because, as the laird of Dumbiedykes said to his son, "Now, ma mon, never rax oot your hand any further than you can draw it back again." I have great pleasure in seconding this resolution.

Mr. Laird: Gentlemen, it is a very great satisfaction to me to be able to respond to this motion, and we, the members of the staff here present, can see the warmth of countenance and hear the kindly words with which it is passed. I think, however, when responding to the resolution, that some who are not here and who are holding the fort at The Pas, or at Dawson, or other far distant places, may feel a good deal like the Scotchman who took up the church collection. He noticed that the plate passed by an old lady, but that she very seldom put anything in, contenting herself generally by very politely bowing to the plate. This finally exasperated him so that he went up to the old lady and said: "Madam, I have noticed you in the kirk. I would have you understand that I would like to see less of your manner and mair of your siller." (Laughter.) I believe the Bank has done generously by the staff, but it is well to remember the adverse circumstances under which some of our work is done. I should like to ask our Montreal Manager, Mr. H. B. Walker, on behalf of the East, and our Seattle Manager, Mr. G. V. Holt, on behalf of the West, to make a few remarks."

Mr. H. B. Walker: I am very glad indeed to have an opportunity of thanking you for this resolution on behalf of the staff of the Bank in the East. The enormous territory which the Bank now covers, the great diversity of its operations, and its system—the evolution of 40 years of

experience in all kinds of financial weather—form a training school for bankers which I think may be regarded as the equal of any for the young men who are now growing up in our service. The Bank has a very loyal and a very efficient staff, and more than that, a very enthusiastic staff, and without enthusiasm nothing very great can ever be accomplished in the world.

I am sure that the provision now made for the widows and orphans of the officers of the Bank, will be a matter of great gratification to the staff as a whole, and will help, if possible, to increase the great loyalty to the Bank which exists in our service.

Mr. G. V. Holt It is with great pleasure that I follow the Montreal Mail in replying to this resolution, because in the West as in the East we know that the welfare of the staff is very close to the heart of the Directors and Management, and that we all stand or fall on merit. No more striking instance could be cited of the Bank's consideration for the staff than the recently established Widows' and Orphans' Fund, which taken in conjunction with the Pension Fund leaves an officer practically free from care as to the future, and enables him to devote his entire energies to the service of the Bank. In the West the opportunities to make money are so numerous that it is only natural that there should be more difficulty in keeping men than in the East, but as a rule the defections are amongst the junior members of the staff who cannot be made to realize that it is not their present salary but future prospects that count. I am a great believer, if a young man has the necessary energy and ability, that he should go West and grow up with the country, but the majority are not so constituted, and it is often sad to see an officer who stands to rise in the Bank's service, forsaking it for work for which he is not naturally fitted and in which he is foredoomed to failure. I have said nothing of the pride we all take in our institution, but with the magnificent

progress made from year to year it could not be otherwise. Perhaps in no part of the service is this more keenly felt than in the United States, where the Bank is regarded as the personification of strength and integrity. I believe I am in safe in promising you, gentlemen, that in so far as the Bank's future rests on the efforts of the staff, its continued prosperity is assured.

Mr. McMaster then moved, seconded by Mr. Stuart: "That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be opened and remain open until three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager."

The scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Hon. Geo. A. Cox, Robert Kilgour, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. L. Meivin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Hon. J. M. Gibson, K.C., LL.D., William McMaster, Robert Stuart, George F. Galt.

At a meeting of the newly elected Board of Directors held subsequently Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President, and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

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ORMSTOWN, QUE.



THE CANADIAN BANK
OF COMMERCE



ANNUAL REPORT

30TH NOVEMBER, 1911



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - - \$11,697,275
 REST - - - - - 9,757,820

DIRECTORS:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.	PRESIDENT
Z. A. LASH, Esq., K.C., LL.D.	VICE-PRESIDENT
HON. GEO. A. COX	E. R. WOOD, Esq.
JOHN HOSKIN, Esq., K.C., LL.D.	WM. McMASTER, Esq.
J. W. FLAVELLE, Esq., LL.D.	ROBERT STUART, Esq.
A. KINGMAN, Esq.	SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.
HON. SIR LYMAN MELVIN JONES	G. F. GALT, Esq.
HON. W. C. EDWARDS.	ALEXANDER LAIRD, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
 HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H. N. WALLACE, Esq., Chairman
 C. W. ANDERSON, Esq.
 W. J. G. THOMSON, Esq.
 JOHN MACNAB, Esq.

CHARLOTTETOWN BOARD:

A WEEKS, Esq., Chairman
 F. R. HEARTZ, Esq.
 A. P. PROWSE, Esq.



THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L. - PRESIDENT

ALEXANDER LAIRD - - - - - GENERAL MANAGER

JOHN AIRD - - - - - ASST. GENERAL MANAGER

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

V. C. BROWN, Superintendent of Central Western Branches

R. A. RUMSEY, WM. HOGG and F. B. FRANCIS, Inspectors

C. L. FOSTER, J. B. CORBET, J. A. C. KEMP and
E. E. HENDERSON, Assistant Inspectors

T. F. ASPDEN, Supervisor of Banking Accounts and Exchanges

A. ST. L. TRIGGE, Secretary

BRANCHES

BRITISH COLUMBIA AND YUKON—

CHILLIWACK	K. V. MUNRO	Manager
CRANBROOK	R. T. BRYMNER	"
CRESTON	P. B. FOWLER	"
CUMBERLAND	W. T. WHITE	"
DAWSON	H. C. MORRIS	"
DUNCAN	E. W. CARR HILTON	"
FERNIE	L. A. S. DACK	"
GOLDEN	N. M. FOULKES	Pro Mgr
GREENWOOD	J. T. BEATTIE	Manager
KANLOOPS	G. S. HOLY	"
KELOWNA	H. G. PANGMAN	"
LADYSMITH	L. M. DEGREX	"
MISSION CITY	W. H. MATHEW	"
NAKUSP	H. L. ROTHWELL	"
NANAIMO	E. H. BIRD	"
NELSON	J. S. MUNRO	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	THOS. ANDREWS	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	F. M. GIBSON	"
SALMON ARM	A. J. MARLOW	"
SOUTH HILL	F. W. HEATHCOTE	"
STEWART	F. F. HANINGTON	Pro Mgr.
VANCOUVER	WILLIAM MURRAY	Manager
Do. EAST	M. D. HAMILTON	Asst. Mgr.
Do. FAIRVIEW	C. W. DURRANT	Manager
Do. MOUNT PLEASANT	M. NICHOLSON	"
Do. PARK DRIVE	J. C. MULLEN	"
Do. POWELL STREET	W. H. JAMES	"
VERNON	H. B. GORDON	Act. Mgr.
VICTORIA	J. I. E. CORBET	Manager
Do. NORTH	F. L. CRAWFORD	"
WHITE HORSE	H. R. BEAVEN	"
	D. ROSS	"

WESTERN PROVINCES—

BASSANO, ALTA.	H. C. STRANGE	Manager
BAWLIF, ALTA.	W. G. HAMILTON	"
BEAVER LODGE, ALTA.	A. J. BRODIE	Pro Mgr.
BENGOUGH, SASK.	N. C. PRICE	"
BIGGAR, SASK.	J. A. CLARK	Manager
BOUNTY, SASK.	J. P. KENNEDY	Pro Mgr.
BRANDON, MAN.	A. MAYBEE	Manager
BRIERCREST, SASK.	H. H. LOWE	"
BRODERICK, SASK.	G. W. SUTHERLAND	"
CALGARY, ALTA.	E. M. SAUNDERS	"
Do. EAST	M. R. COMPLIN	Act. Mgr.
Do. MOUNT ROYAL	E. M. SAUNDERS	Manager
Do. SOUTH	"	"

BRANCHES—Continued

	CANORA, SASK.	A. L. JENSEN	Manager
	CARMAN, MAN.	F. J. MACCOUN	"
anager	CARMANGAY, ALTA.	H. G. HURLBURT	"
"	CHAMPION, ALTA.	E. G. OGILVIE	Act. Mgr.
"	CLARESHOLM, ALTA.	W. A. CORNWALL	Manager
"	CROSSFIELD, ALTA.	J. C. KENNEDY	"
"	CUDWORTH, SASK.	H. O. GUDGIN	"
"	DAUPHIN, MAN.	E. R. JARVIS	"
"	DELISLE, SASK.	J. O. MACCALLUM	"
o Mgr	DRINKWATER, SASK.	H. H. LOWE	"
anager	EDAM, SASK.	S. H. CURRAN	Pro Mgr.
"	EDMONTON, ALTA.	T. M. TURNBULL	Manager
"	ELBOW, SASK.	R. P. MORRISON	"
"	ELFROS, SASK.	A. W. PENTLAND	"
"	ELGIN, MAN.	M. ST. C. McLEAN	"
"	ELKHORN, MAN.	R. H. BROTHERHOOD	"
"	GILBERT PLAINS, MAN.	C. A. MERCER	"
"	GLEICHEN, ALTA.	JAS. CAMERON	"
"	GRANDVIEW, MAN.	F. W. DE MILLE	"
"	GRANUM, ALTA.	A. W. CHAMBERS	Act. Mgr.
"	GROUARD, ALTA.	H. S. BRUCE	Pro Mgr.
"	HARDISTY, ALTA.	W. R. ALGER	Manager
"	HAWARDEN, SASK.	H. E. MILLER	"
"	HERBERT, SASK.	R. N. SHAW	"
"	HIGH RIVER, ALTA.	A. G. VERCHÈRE	"
Mgr.	HUMBOLDT, SASK.	H. G. MATHEWSON	"
anager	INNISFAIL, ALTA.	WM. HILBORN	"
Mgr.	INNISFREE, ALTA.	H. J. MATTHEW	Act. Mgr.
anager	KAMSACK, SASK.	W. J. F. ROSS	Manager
"	KERROBERT, SASK.	J. P. TAILLON	"
"	KINDERSLEY, SASK.	W. V. GORDON	"
"	KITSCOTY, ALTA.	J. S. BARKER	"
Mgr.	LANGHAM, SASK.	A. W. WHITE	"
anager	LANIGAN, SASK.	W. E. D. FARMER	"
"	LASHBURN, SASK.	A. J. REYNOLDS	"
"	LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
"	LLOYDMINSTER, SASK.	H. B. HAINES	"
"	LOUGHEED, ALTA.	R. W. WINFIELD	Act. Mgr.
"	MACLEOD, ALTA.	A. H. ALLEN	Manager
ager	MARCELIN, SASK.	J. B. ROBINSON	Act. Mgr.
"	MEDICINE HAT, ALTA.	W. G. LYNCH	Manager
Mgr.	MELFORT, SASK.	H. J. NEALE	"
"	MELVILLE, SASK.	A. N. STRANO	"
ager	MILESTONE, SASK.	W. J. SAVAGE	"
Mgr.	MILK RIVER, ALTA.	A. J. MAYNARD	"
ger	MIRROR, ALTA.	N. H. G. RUTHVEN	"
ger	MONARCH, ALTA.	J. H. S. GORDON	Pro Mgr.
"	MOOSEJAW, SASK.	H. M. STEWART	Manager
"	MOOSOMIN, SASK.	D. I. FORBES	"
"	MORSE, SASK.	S. R. TUFFLEY	Act. Mgr.
Mgr.	NANTON, ALTA.	R. MORRIS SAUNDERS	Manager
ger	NEEPAWA, MAN.	C. BALLARD	"
"	NEW DAYTON, ALTA.	A. J. MAYNARD	"
"	NOKOMIS, SASK.	K. W. REIKIP	"

BRANCHES—Continued

NORTH BATTLEFORD, SASK.	E. A. FOX	Manager
NUTANA, SASK.	W. P. KIRKPATRICK	"
OLDS, ALTA.	W. C. DUNCAN	"
OUTLOOK, SASK.	J. A. SMITH	"
THE PAS, N.W.T.	C. H. ANDERSON	"
PINCHER CREEK, ALTA.	L. F. CROSS	"
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	F. W. WEST	"
RADISSON, SASK.	C. CADY	"
RADVILLE, SASK.	C. PADLEY	Act. Mgr.
RED DEER, ALTA.	W. L. GIBSON	Manager
REGINA, SASK.	A. W. RIDOUT	"
RIVERS, MAN.	B. L. BROWN	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
Do. WEST SIDE	"	"
SHELLBROOK, SASK.	R. H. NEILSON	"
STAVELY, ALTA.	J. WALTON	"
STONY PLAIN, ALTA.	T. S. LITCH	Act. Mgr.
STRATHCONA, ALTA.	G. W. MARRIOTT	Manager
STRATHMORE, ALTA.	C. LOMER MILES	"
SWAN RIVER, MAN.	G. H. WINSTANLEY	Act. Mgr.
SWIFT CURRENT, SASK.	J. E. H. LAIDLAW	Manager
TRANSCONA, MAN.	E. W. BASSETT	"
TREIHERNE, MAN.	H. L. WETHEY	"
TUGASKE, SASK.	C. S. FREEMAN	"
VEGREVILLE, ALTA.	W. P. PERKINS	"
VERMILION, ALTA.	A. F. TURNER	"
VIRDEN, MAN.	F. C. WHITEHOUSE	"
VONDA, SASK.	W. C. HOPKINS	"
WADENA, SASK.	F. A. CHAPMAN	Act. Mgr.
WARNER, ALTA.	A. J. BURNSIDE	Manager
WATROUS, SASK.	J. H. DENT	"
WATSON, SASK.	HENRY KERR	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. S. SWINFORD	"
WILCOX, SASK.	H. J. WHITE	"
WILLOW BUNCH, SASK.	H. R. MAIN	Pro Mgr.
WINNIPEG, MAN.	C. W. ROWLEY	Manager
Do. ALEXANDER AVE.	C. GORDON	Asst. Mgr.
Do. BLAKE ST.	R. E. N. JONES	Manager
Do. ELMWOOD	J. E. D. BELT	Act. Mgr.
Do. FORT ROUGE	F. C. BIGGAR	Manager
Do. NORTH	L. E. GRIFFITH	"
Do. PORTAGE AVE.	C. F. A. GREGORY	"
YELLOWGRASS, SASK.	G. M. PATTERSON	"
YORKTON, SASK.	C. HENSLEY	"
	H. L. EDMONDS	"

ONTARIO AND QUEBEC—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"

BRANCHES—Continued

	BERLIN	G. M. WEDD	Manager
	BLENNHEIM	W. C. JOHNSTON	"
	BRANTFORD	H. W. FITTON	"
	CAYUGA	C. D. NEVILL	"
	CHATHAM	JAMES SIMON	"
	COBALT	S. H. LOGAN	"
	COLLINGWOOD	H. C. DUNCAN	"
	CREDITON	W. H. COLLINS	"
	DRESDEN	W. H. GREEN	"
	DUNDAS	S. N. MOFFAT	"
Mgr.	DUNNVILLE	G. E. PARKES	"
Mgr.	EXETER	W. H. COLLINS	"
	FOREST	H. E. TYLOR	"
	FORT FRANCES	B. P. ALLEY	"
	FORT WILLIAM	A. A. WILSON	"
	GALT	C. E. A. DOWLER	"
	GODERICH	G. WILLIAMS	"
	COWGANDA	B. G. CARNEGIE	"
Mgr.	GUELPH	J. M. DUFF	"
Mgr.	HAMILTON	D. B. DEWAR	"
	KINGSTON	P. C. STEVENSON	"
Mgr.	LINDSAY	H. A. HOLMES	"
Mgr.	LONDON	JEFFERY HALE	"
	MONTREAL	H. B. WALKER	"
	Do. WEST END	WM. LEGGAT	Asst. Mgr.
	ORANGEVILLE	D. MCLENNAN	Manager
	OTTAWA	W. H. LUGSDIN	"
	Do. BANK ST.	C. CAMBIE	"
	PARIS	C. R. ARMSTRONG	"
Mgr.	PARKHILL	D. H. DOWNIE	"
Mgr.	PARRY SOUND	T. L. ROGERS	"
	PETERBORO	H. C. COWDRY	"
	PORT ARTHUR	W. H. DUNSFORD	"
	PORT PERRY	A. W. ROBERTS	"
	QUEBEC	J. McE. MURRAY	"
Mgr.	RAINY RIVER	A. L. HAMILTON	"
Mgr.	ST. CATHARINES	H. W. GRAHAM	"
Mgr.	SARNIA	R. C. W. CONOLLY	"
Mgr.	SAULT STE. MARIE	J. L. BUCHAN	"
Mgr.	SEAFORTH	A. D. MCLEAN	"
Mgr.	SIMCOE	W. C. T. MORSON	"
Mgr.	SOUTH PORCUPINE	W. C. J. KING	"
	STRAITFORD	W. G. WHITESIDE	"
	THROY	WM. MAYNARD	"
	THELDFORD	L. H. DAMPIER	"
	TORONTO	J. FULLER	"
	Do. BLOOR AND DUFFERIN	D. A. CAMERON	"
	Do. BLOOR AND YONGE	E. P. GOWER	Asst. Mgr.
	Do. COLLEGE & DOVERCOURT	E. C. PRINGLE	Manager
	Do. GERRARD AND PAPE	JAMES BRYDON	"
	Do. MARKET	E. C. PRINGLE	"
	Do. PARKDALE	N. ST. B. YOUNG	"
		T. A. CHISHOLM	"
		W. A. COOKE	"

BRANCHES—Continued

TORONTO	PARLIAMENT ST.	A. H. CREASE	Manager
Do.	QUEEN AND BATHURST	E. M. PLAYHER	"
Do.	QUEEN EAST	J. M. HEDLEY	"
Do.	SPADINA AND COLLEGE	H. F. H. SEWELL	"
Do.	WEST TORONTO	J. B. McQUAD	"
Do.	YONGE AND COLLEGE	G. C. T. PEMBERTON	"
Do.	YONGE AND QUEEN	H. C. LAR	"
WALKERTON		H. M. ...	"
WALKERVILLE		H. B. PARKINS	"
WATERLOO		W. HARRISON	"
WARTON		G. A. HOLLAND	"
WINDSOR		A. E. TAYLER	"
WINNIPEG		D. DAVIES	"
WOODSTOCK		J. CROSSLEY	"

WESTERN PROVINCES—

ALBERTON		C. LAMON	Manager
AMHERST		R. C. MATHERSON	"
ANTICOSTON		W. H. HARRISON	"
BARRINGTON		W. W. HOMER	"
BRIDGEWATER		F. C. GRUNDY	"
CHARLOTTETOWN		F. E. DENCH	"
HALIFAX		J. MACGILLIVRAY	"
MIDDLETON		R. HARRISON	"
MONTAGUE		L. H. COFFIN	"
NEW GLASGOW		B. DEVEBER	"
PARSBORO		A. E. CURRIE	"
ST. JOHN		C. W. HALL	"
SHELBURNE		T. W. MAGEE	"
SOURIS		J. H. McQUAD	"
SPRINGHILL		E. B. FAIRBANKS	"
SUMMERSIDE		R. T. MUSSEN	"
SYDNEY		E. B. IRELAND	"
TRURO		C. W. MONTGOMERY	"
WINDSOR		J. A. ROSSILL	"

UNITED STATES—

NEW YORK	Wm. Cro...
PORTLAND, ORE	H. P.
SAN FRANCISCO	F. C. MAL...
SEATTLE	G. W. B. I...
	A. Ho...

GREAT BRITAIN—

LONDON	Lombard Street	C.
	H. V. F. JONES	Manager
	A. R. PIPPS	Asst. Manager

MEXICO—

MEXICO	D. F., Avenida Sa...	Francisco, No. 50
	J. P. BELL	Manager
	D. McIRHEAD	Asst. Manager

Manager

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Manager

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PENTICTON, B.C.



BANKERS AND CHIEF CORRESPONDENTS

- LONDON BANKERS—**
Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; London and South Western Bank Ltd.
- ENGLAND—**
Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.
- SCOTLAND—**
Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.
- IRELAND—**
Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.
- UNITED STATES—**
NEW YORK—American Exchange National Bank; Chase National Bank
ALBANY—New York State National Bank.
BALTIMORE—Citizens National Bank.
BOSTON—National Shawmut Bank; Second National Bank.
BUFFALO—Citizens Bank of Buffalo.
CHICAGO—First National Bank; National City Bank; Northern Trust Company.
CLEVELAND—First National Bank.
DENVER—Denver National Bank; Colorado National Bank.
DETROIT—Peoples-State Bank; First National Bank.
LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.
MILWAUKEE—Wisconsin National Bank.
MINNEAPOLIS—Northwestern National Bank; First National Bank.
NEW ORLEANS—Commercial National Bank.
PHILADELPHIA—Girard National Bank; Franklin National Bank.
PITTSBURG—Mellon National Bank.
ST. LOUIS—Mechanics-American National Bank.
ST. PAUL—National German American Bank.
SALT LAKE CITY—Deseret National Bank.
SPOKANE—Traders National Bank.
TACOMA—Bank of California National Association.
- AUSTRIA—**
Anglo-Austrian Bank.
- BELGIUM—**
J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.
- DENMARK—**
Den Danske Landmandsbank, Copenhagen.
- FRANCE—**
Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.
- GERMANY—**
Deutsche Bank; Direction der Disconto-Gesellschaft.
- HOLLAND—**
Twentsche Bankvereeniging, Amsterdam; Disconto Maatschappij, Rotterdam.
- ITALY—**
Banca Commerciale Italiana.
- NORWAY—**
Centralbanken for Norge, Christiania.
- SWITZERLAND—**
Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.
- INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—**
Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking Corporation.
- SOUTH AFRICA—**
Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.; Bank of Africa, Ltd.
- AUSTRALIA AND NEW ZEALAND—**
Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.
- HAWAIIAN ISLANDS—**
First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.
- SOUTH AMERICA—**
British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.
- WEST INDIES—**
Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.
- BERMUDA—**
Bank of Bermuda, Ltd., Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1911

LIABILITIES

Notes of the Bank in circulation.....	\$ 12,004,649 68
Deposits not bearing interest.....	\$ 41,288,032 95
Deposits bearing interest, including interest accrued to date.....	104,677,701 81
	145,965,734 76
Balances due to Banks in Canada.....	196,618 80
Balances due to Agents in the United Kingdom and Banks in foreign countries.....	2,273,529 13
	\$ 160,440,532 37
Dividends unpaid.....	2,021 47
Dividend No. 99, payable 1st December.....	288,940 00
Capital paid up.....	\$ 11,697,275 00
Rest.....	9,757,820 00
Balance of Profit and Loss Account carried forward.....	203,394 89
	21,658,489 89
	\$ 182,389,983 73

ASSETS

Coin and Bullion.....	\$ 10,736,214 55
Dominion Notes.....	15,093,480 00
	\$ 25,829,694 55
Balances due by Agents in the United Kingdom and Banks in foreign countries.....	\$ 6,982,375 82
Balances due by Banks in Canada..	6,854 59
Notes of and Cheques on other Banks	7,526,242 58
	14,515,472 99
Call and Short Loans in Canada.....	6,604,716 44
Call and Short Loans in the United States.....	8,420,602 53
Government Bonds, Municipal and other Securities..	11,541,092 11
Deposit with the Dominion Government for security of Note circulation.....	475,000 00
	\$ 67,386,578 62
Other Current Loans and Discounts.....	110,999,611 31
Overdue Debts (loss fully provided for).....	293,240 08
Real Estate (other than Bank Premises).....	138,061 35
Mortgages.....	347,091 02
Bank Premises.....	3,142,487 82
Other Assets.....	82,913 53
	\$ 182,389,983 73

ALEXANDER LAIRD
General Manager

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 9TH JANUARY, 1912

The forty-fifth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 9th January, 1912, at 12 o'clock.

Among those present were:—

Trumbull Warren, Mark Sparkhall, John L. Blaikie, E. R. Wood, Hon. G. A. Cox, J. O. Thorn, Albert Grant, John Hoskin, K.C., LL.D., W. D. Ross, Dr. R. A. Falconer, F. W. Kingston, J. W. Flavell, LL.D., Sir Henry Pellatt, H. Vigeon, W. D. Lummiss, Z. A. Lash, K.C., LL.D., W. Davidson, S. B. Gundy, W. E. Rund'le, W. R. Houston, F. A. Rolph, Sir Lyman Melvin Jones, Dr. J. H. Carrique, Thomas West, W. H. Lockhart-Gordon, Frederic Nicholls, S. R. Wickett, A. E. Ames, H. C. Carson, Richard Brown, E. R. Cassels, A. E. Dymont, Rev. Daniel C. Strachan, Sir Edmund Walker, C.V.O., LL.D., D.C.L., T. Plummer, S. Nordheimer, Wm. Craig, Alexander Laird, A. E. Ferrie, P. G. Van Vleet, L. J. Cosgrave, John Aird, F. Sanderson, F. G. Jemmett, A. H. Ireland, David Smith, T. A. Russell, The Right Rev. the Bishop of Toronto, J. K. Macdonald, W. Carside, K. J. Dunstan, J. Short McMaster, E. D. Howe, A. J. Helliwell, F. A. Mouré, Charles Niehaus, J. L. Watt, Henry Biddie, Thomas Gilmour, F. W. Baillie, Glyn Osler, Alex. Bruce, K.C., G. A. Somerville, George W. Howland,

F. H. Deacon, J. J. Ashworth, Victor Ross, Miller Lash, Wm. Prendergast, A. W. Anglin, K.C., Angus Sinclair, J. Lash, H. L. Watt, E. W. Cox, A. G. Mitchell, J. E. Baillie, J. R. Warwick, G. Murray, J. M. Clark, K.C., James Hedley, Sir John Morison Gibson, K.C.M.G., T. W. Patterson, R. S. Williams, R. P. Ormsby, Edward Cronyn, G. H. Wood, G. A. Morrow, F. H. Gooch, Robert Cassels, Frank Darling, Wm. Crocker; H. R. Silver, Halifax; John Leggat, Hamilton; R. T. Brymner, Cranbrook; H. C. Duncan, Collingwood; J. S. Munro, Nelson; R. Gill, Ottawa; H. W. Tylor, Forest; F. B. McCurdy, Halifax; Hon. W. C. Edwards, Ottawa; E. M. Saunders, Calgary; William McMaster, Montreal; H. M. Stewart, Moosejaw; H. G. Wallace, London, Eng.; A. Kingman, Montreal; H. B. Parsons, Walkerville; A. L. Hamilton, Quebec; W. W. Tamblyn, Bowmanville; George F. Galt, Winnipeg; F. E. Dench, Charlottetown; J. M. Savage, Victoria; H. A. Holmes, Lindsay; J. G. Borland, Claremont; J. H. Fulton, New Orleans; W. A. Murray, Montreal; W. H. Dore, Fort William; F. A. Emerick, Oswego; C. M. Gipton, St. Catharines; J. L. Buchan, Sarnia; Crawford Gordon, Winnipeg; A. E. Tayler, Windsor; C. W. Hallamore, St. John; H. B. Walker, Montreal; A. A. Wilson, Fort William; Wm. Maynard, Stratford; D. Macgillivray, Halifax; Robert Stuart, Chicago; F. L. Crawford, Victoria; H. J. White, Wilcox; C. Cambie, Ottawa; S.R. Tarr, Winnipeg; A. W. White, Langham; W. C. Hawkins, Hamilton; J. Hale, London, Ont.; D'Arcy Martin, Hamilton; William Cook, Carrville; W. A. Murray, Montreal; V. C. Brown, Winnipeg; D. B. Dewar, Hamilton; S. N. Moffat, Dundas; J. P. Morton, Hamilton; G. M. Patterson, Winnipeg.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Triggs was appointed to act as Secretary, and Messrs. Edward Cronyn and H. L. Watt were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors beg to present to the Shareholders the forty-fifth Annual Report, covering the year ending 30th November, 1911, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 310,204 06
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	2,305,409 42
Amount recovered from over-appropriations in connection with assets now realized, including the \$350,000 appearing in the statement of 31st May, 1911.....	500,000 00
Premium on new stock.....	1,357,820 00
	<u>\$ 4,473,433 48</u>

This has been appropriated as follows:

Dividends Nos. 96, 97, 98 and 99, at Ten per cent. per annum.....	\$ 1,057,218 59
Written off Bank Premises.....	400,000 00
Transferred to Pension Fund (annual contribution).....	55,000 00
Transferred to Rest.....	\$ 1,400,000 00
Transferred to Rest, premium on new stock...	1,357,820 00
	<u>2,757,820 00</u>
Balance carried forward.....	203,394 89
	<u>\$ 4,473,433 48</u>

As is customary a careful re-valuation of all the assets of the Bank has been made and all bad and doubtful debts have been fully provided for.

As made known to you in May last, your Directors decided to issue, at a premium of 80 per cent., \$2,000,000 of the \$5,000,000 new stock authorized in January, 1908. At the closing of the books \$1,861,550 of this amount had been subscribed and \$1,697,275 paid up. When the payments in this connection have been completed the paid-up capital of the Bank will stand at \$12,000,000 and the Rest at \$10,000,000.

The following branches have been opened during the year: In Ontario—Porcupine, South Porcupine, Bloor and Dufferin (Toronto); in the North-West Territories—The Pas; in Saskatchewan—Bengough, Biggar, Briercreech, Brooking, Cudworth, Edam, Mirror, Nutana, Radville, West Side (Saskatoon), Tilley, Willow Bunch; in Alberta—Beaver Lodge, Mount Royal (Calgary), Grouard; and in British Columbia—Chilliwack, Duncan, Golden, Kelowna, Salmon Arm and Vernon. The branches at Latchford and Porcupine, Ontario; Durban, Manitoba, and Brooking and Tilley, Saskatchewan, have been closed. Since the close of the year a branch has been opened at Powell Street, Vancouver, B.C.

The various offices of the Bank in Canada, the United States, Great Britain and Mexico, and the departments of the Head Office have been thoroughly inspected as usual during the year.

Your Directors wish again to express their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

B. E. WALKER

President

TORONTO, 9th January, 1912

In moving the adoption of the Report, the President asked the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS

The General Manager then said:

In presenting you with our report for the year just closed, it is gratifying to know that our predictions regarding the probable course of our business, when last we had the honour of addressing you, have been fully confirmed, and we have great pleasure in submitting a statement which we feel sure will be regarded as more than usually satisfactory.

The record of the year is remarkable for the evidence it affords of a steady and continued prosperity, and notwithstanding the large increase of our resources we have been able to make a profitable use of the funds committed to our care with a reasonable assurance of safety.

The average paid-up capital during the year was \$10,591,405 and the net profits were \$2,305,409.42, the latter item showing an increase of \$467,344.38 as compared with our last report, and amounting to 21.76% on the capital employed. It is proper to remark that this satisfactory showing was the result of our operations after the usual very careful revaluation of our entire assets, ample provision having been made for bad and doubtful debts.

In our report for the year ending 30th November, 1909, it was recorded that we had recovered \$300,000 from the realization of assets in connection with which appropriations had previously been made. We direct your attention to the announcement in this year's report that \$500,000 has been similarly recovered. We believe you have always given us credit for being conservative and careful in the administration of your affairs, and the policy of making ample provision for doubtful assets might well, over a series of years, result in important recoveries. The recoveries now referred to, however, come mainly from two sources. During the entire administration of our business in the

Yukon Territory carried on at the Dawson branch and begun in 1898, because of the dangers and difficulties surrounding the venture in this new field, we held in reserve the whole of the profits made at this branch, awaiting the outcome of the business in that district. Secondly, in purchasing the assets of the Bank of British Columbia in 1900, we found a considerable quantity of real estate, in valuing which we made large appropriations as compared with the figures at which such assets stood in the books of the seiling bank. There has been, as you know, a very large increase in the value of real estate in British Columbia, owing to the extraordinary development of that province, and through sales of such real estate and through the liquidation of most of the important assets in the Yukon Territory, we are warranted in transferring to the ordinary profits so much of these reserves as are represented by the two amounts referred to.

We recommended the payment of dividends at the rate of ten per cent. per annum, and in this connection \$1,057,218.59 has been disbursed. Our programme for the erection of suitable bank premises, particularly in the west, and the necessity for increasing our equipment of this character throughout the country, make it imperative to continue the appropriation of large sums for this purpose. We are hopeful that with the completion of the Winnipeg office extraordinary expenditures may be curtailed, but we must keep pace with the requirements of a growing business, and our commitments, while relatively moderate, are considerable in the aggregate. We have written off Bank Premises \$400,000, and have added \$866,092.61 to the account, which now stands at \$3,142,487.82, representing about 45 per cent. of the value of our properties. The resolution passed at the last annual meeting authorized the contribution of a sum not exceeding \$100 per annum per member of the Pension Fund, and we have appropriated \$55,000 for this purpose. We are pleased to report that

after making these appropriations \$1,400,000 has been transferred to Rest Account, in addition to \$1,357,820 received as premium on new stock.

It is interesting to note the course of the Bank's circulation during the period under review. Our last report showed \$10,222,953 outstanding; during the succeeding months there were important fluctuations, the highest and lowest points touched in July being \$10,016,000 and \$8,289,418 respectively. The early crop movement gave an impetus to business, and our available margin of circulation was quickly absorbed. The total amount outstanding in September was \$10,842,000, and but for the issue of new stock we should have had difficulty in keeping within the limits of the law, and, as it was, we had unusual difficulty in meeting the demands on us for currency. In October we exceeded the amount authorized under ordinary conditions, and had recourse to the provisions of the Bank Act amendment of 1908. At the close of November we reported notes in circulation amounting to \$12,004,649, this being \$307,374 more than we were allowed to issue except under the emergency provisions. There is a real necessity for a large increase of the amount of circulation, and it does not seem unreasonable that the period for emergency issues should be extended to include the months of September and February. In connection with this suggestion it should be noted that because of the great development of business it is altogether likely that we shall in the near future experience a currency stringency in the spring and summer months. This matter should have very serious consideration, and immediate action should be taken to guard against the possibility of such an occurrence. The augmentation of capital by the banks is of course the first remedy to be applied, but this is of necessity a slow process and would scarcely keep pace with requirements. We venture to hope that during the discussion of the Bank Act means will be found to enable any Canadian bank possessed of sufficient resources to be able always

to pay off its own notes across the counter without resorting to other forms of currency.

During the year our deposits were increased by \$19,131,480, showing a handsome growth, although we received under this head large amounts which are held temporarily and will be withdrawn in the near future. Our branches in the west contributed a handsome addition to our deposit account. On the other side of the balance sheet, current loans and discounts show an increase of \$19,757,171 as compared with last year's report, and our investments in government bonds, municipal and other securities were increased by \$2,616,826. Cash resources increased \$8,390,979.

In view of the franchise we enjoy, we recognize the duty and responsibility upon us to aid in the development of the country, and we have endeavoured to keep abreast of its rapidly growing needs. We are confident that the work of establishing branches has been undertaken with great care and a conscientious regard for every interest involved. It is gratifying to know that our labours have not been in vain. The distribution of the branches at the close of the year was as follows:—

Ontario.....	66
Quebec.....	3
Nova Scotia.....	13
New Brunswick.....	1
Prince Edward Island.....	5
Manitoba.....	21
Saskatchewan.....	52
Alberta.....	40
British Columbia.....	33
North-West Territories and Yukon.....	3
<hr/>	
Total Branches in Canada.....	237
England.....	1
Mexico.....	1
United States.....	4
<hr/>	
Total number of Branches.....	243

The management of so large a number of branch banks brings up the question of our staff, which now numbers over two thousand, and you will readily understand that this is a difficult problem. We have not overlooked the importance of a strict supervision of our branches, and have endeavoured to devise a system which will ensure a freedom of action and quick response to the demands of customers, and at the same time keep in control managers who lack experience and judgment. We sometimes fear lest we should fail in our appreciation of the claims of our large staff, particularly in these latter days of profitable employment in other occupations when promotion in banking appears slow. In our service we often ask officers to perform onerous duties under trying circumstances, but our experience almost invariably is that they meet the emergency with commendable efficiency and loyalty.

We look into the future from the vantage ground of a successful year's business, and we have reason to hope for a continuance of prosperity so far as Canada is concerned, and as a bank we shall expect to share in the general good. The steady and persistent demand for money for legitimate purposes should keep our funds fully employed for some time to come. There will doubtless, as usual, be adverse influences at work, but at the moment there is no apparent cause for a feeling of apprehension. The noticeable improvement in trade conditions in the United States encourages us to think that our neighbours will emerge from a period of depression not unusual on the eve of a Presidential election. We shall probably see easier conditions in Great Britain after the year's accounts have been settled. This is important and desirable when we consider the large amounts of Canadian securities awaiting a favourable market.

We look forward confidently to the duties and responsibilities of the coming year, and trust you will not be disappointed with our efforts to render you good service.

PRESIDENT'S ADDRESS

The President then spoke as follows:—

The progress of the Bank during the past year has been so gratifying and the subjects to which the General Manager has been asking your attention are so important that I feel less confidence than usual in taking up your time merely to review some of those features of the prosperity of the country with most of which you are already familiar. As you all know the year has been a momentous one for Canada in directions which cannot be discussed here, but on the purely business side it has demonstrated in an unusual degree the fact that the general progress of such a large area as Canada is likely to be accompanied by untoward as well as fortunate events.

The totals of our imports and exports for the fiscal year of the Dominion, ending March, 1911, are again record figures. Our imports were \$472,194,000 and our exports \$297,196,000, the balance against us being the large sum of \$174,998,000, not far from the balances of any two previous years put together. The total trade was \$769,390,000, against \$693,161,000 a year ago. The significant fact, however, is that while our imports increased \$80,391,000 our exports declined \$4,162,000. This is of course principally due to very free imports in anticipation of the present large cereal crop; to the increase in railroad construction and public and private building; and to larger immigration, the value of such settlers' effects as are declared, appearing as imports. It is also partly due to somewhat larger imports of gold bullion and silver. For the first six months, ending September, 1911, of the current fiscal year, the figures are even more striking, the imports being \$266,187,000 and the exports \$141,865,000, the balance against us for the six months being \$124,322,000 as against \$94,404,000 for the corresponding period in 1910. The imports for the half-year in 1911 include, however, an increase of about \$7,500,000 in gold coin. An examina-

tion of the items of imports and exports in the trade returns will suggest many explanations for the respective increases and decreases, but the fact remains that we must enlarge the volume of products we have to export and either lessen our imports by curtailment of expenditure or by manufacturing at home many of the articles we buy abroad, especially from the United States. Our trade with that country, always one-sided, is growing more so. During the fiscal year ending March, 1911, we bought from them \$293,403,000 and sold them \$119,203,000, leaving a balance in their favour to be paid in cash of \$174,200,000, over \$50,000,000 more than in any previous year. In 1901 our total trade with them was \$191,689,000 and in ten years it has grown to \$412,606,000, or an increase of 115 per cent. The part we have to pay in cash has, however, grown from \$46,924,000 to \$174,200,000, an increase of 271 per cent. Our trade with Great Britain makes the worst showing for many years. The imports have grown to \$110,390,000 while the exports have fallen to \$137,158,000, leaving a balance in our favour of only \$26,768,000, a much smaller sum than in any of the last ten years. In spite of the decrease, our exports are still the largest of any year except the previous one, but the volume of imports is much greater than ever before. It is useless to repeat arguments often advanced in other years. Few nations have such an alluring future and few can afford to mortgage their future to such an extent, but our power to do so depends upon our credit and there are those in England who are asking whether we are not borrowing too much. There is of course one great reason why we must go more and more largely into debt for many years to come. At present we are preparing for the settlement of about 400,000 immigrants in one year. This is an addition of five per cent. to our population, or the same as if 4,500,000 new people entered the United States in one year. To provide everything for these people, from transportation to housing, is a huge task, quite large enough to account for more than

the difference between our imports and exports. Not only must the improvements necessary to create many new farming districts be made, but new towns, and great additions and improvements to older ones are required, indeed, betterments of all kinds throughout the community. More important than all, two new transeontinental railway systems must be completed and many branch lines added to our three great systems. There is, therefore, little cause for wonder that we need so much new money every year. The import returns show settlers' effects at only \$14,000,000, doubtless far below the actual value, but the main part of the settler's property consists of money. The estimated wealth of the new settlers for 1911 based on the lowest experience of several years is about \$160,000,000.

The revenues and expenditures of the Federal Government show plainly the growth of the country as a whole. Apparently the ordinary revenue for the year ending 31st March, 1912, will be between \$130,000,000 and \$140,000,000, as compared with \$117,780,000 in 1911 and with \$36,000,000 in 1896, only 15 years ago. Thus far the new capital expenditure, estimated at about \$46,000,000 for the year, has been met out of revenue.

The clearing house returns of twenty cities for 1911 were \$7,336,866,000, against \$6,153,701,000 for seventeen cities in 1910, a gain of 19 per cent.; the gain between 1909 and 1910 being 18 per cent.

The building permits of the chief cities again illustrate the rate of growth in Canada.

	1910.	1911.
Montreal.....	\$15,713,000	\$14,580,000
Toronto.....	21,127,000	24,374,000
Winnipeg.....	15,106,000	17,550,000
Vancouver.....	13,150,000	17,652,000

Proposals for municipal expenditures are on a scale never attempted before.

MARITIME PROVINCES

The year has been one of general progress and prosperity in the Maritime Provinces. While in some respects the results from agriculture in the three provinces have not been quite as good as for the previous year, mainly because of drought, the very unusual apple crop and other favourable features have helped out the money total. Drought affected hay and all dairy products, in some parts seriously. Fruit was so plentiful that the apple crop will yield over three times as much money as in 1910. The trade in horses, cattle, hogs and poultry was satisfactory and it is pleasant to learn that in some parts the live stock on the land is now increasing in numbers. There is a large increase in attendance at the Agricultural College, a marked advance in apple culture and in the methods of handling and disposing of the crop, more attention given to live stock and dairying, and evidence generally that the Maritime Provinces are sharing in the awakening to the much greater possibilities of profit in all varieties of farm life. Some settlers are coming in from abroad and as the real facts regarding the productivity of this part of Canada become known, settlement should increase.

From the fisheries the money results were probably higher than ever before, because of good prices, but the quantity caught, larger in some places and in some varieties, smaller in others, was an average. The price offered at the moment for dried cod-fish is the highest ever known, but sales have been so active that the stocks on hand are very small as compared with those of a few years ago. The market steadily broadens, more vessels are being added to the fleet and new areas are being sought for supplies of fish, but men are so scarce as to make it difficult to meet the demand for crews. The results in other kinds of fishing were satisfactory as a whole. The value of the fisheries in the three provinces was about \$16,000,000. What is made abundantly clear, year after year, is that we have in our Atlantic fisheries a source

of continuous wealth if, as a nation, we possess reasonable instincts of conservation. We should take active measures regarding the destructive dog-fish; we know that our wonderful lobster fisheries need the most persistent and jealous care, and yet they are frequently menaced by permanent injury owing to lack of vigilant inspection; and the recent report of the Conservation Commission regarding the shocking history of our oyster beds, and the positive need of quick action now and of sane regulations hereafter, should surely arouse enough indignation to enforce action of some kind.

The breeding of black foxes at various points in Prince Edward Island is growing in volume and has become a regular and very profitable industry.

The year began favourably for lumbering operations and the cut of logs was large, but owing to the drought a great portion of this did not reach the mills. There was a fair demand for deals at about last year's prices, but the Coronation, strikes in Great Britain and other causes interfered with trade. The markets in the United States and elsewhere were fair. High freights and scarcity of tonnage at the close of the season made it difficult to ship at a profit and large stocks will be carried over. For these reasons the cut of the ensuing season will be smaller.

The collieries of Nova Scotia have had a record year, the quantity mined being in excess of 3,000,000 tons, as compared with 5,477,146 tons in 1910. Prices were practically unchanged and the demand was excellent. Very important work has been done in opening new shafts and collieries.

The noticeable fact in steel-making in Nova Scotia is that while some of the large improvements looking to an increased output are completed, others are not and as a whole the works have not yet reached the stage of larger production. This may, however, be expected very soon. The output for 1911 was somewhat larger than for 1910 and the present demand is excellent, but the dull condition of

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RADVILLE, SASK



the steel trade in the United States, with consequent lower prices, naturally affects the profits of Canadian producers.

Manufacturers in the Maritime Provinces, especially in view of the prosperous conditions in other parts of Canada, have had a successful year. Extensions to plants and increased building permits have been general in the manufacturing and other large towns and cities.

ONTARIO AND QUEBEC

The farmers in Ontario and Quebec have made progress during the past year, but while in many parts the year would be described as an average, in others it was hardly so and in few respects was it better than the average. Hay and grain crops, except fall wheat in some parts, after an early spring and a good start, suffered in varying degrees but often badly, by the prolonged drought so general in Eastern Canada and in Europe. The acreage of Indian corn is increasing and the ownership of plenty of cattle with proper silo accommodation has made the result quite satisfactory to farmers who otherwise would have suffered from drought. For this reason there are some districts where dairying results have been as good as usual and farming profits quite satisfactory. The revival in fruit farming accompanied by care in the treatment of orchards is producing a most marked effect in many parts of Ontario and doubtless fruit growing will be extended to several areas hitherto devoted solely to agriculture and pasture. Horses and hogs have done well for the farmer, but those who bought cattle in the autumn to feed through the winter found the spring prices little higher. Cattle to be fed this winter were bought on a lower basis and as roots, fodder, corn and alfalfa crops were satisfactory, the outlook for the cattle feeder who grew these crops is good. While we cannot follow the increased consumption at home or the shipments to the United States, the shipments of cattle from Montreal to some extent show

the conditions of the trade. The number shipped was the smallest in 29 years, being only 45,966, against 72,555 last year and 99,830 in 1908, and of this small total about 15,000 head were from the United States. The falling off is, however, due somewhat to the fact that United States exporters who had contracted for ocean space were obliged to draw their supplies largely from Canada. We evidently cannot learn much from our export figures at the moment. The very high prices in 1910 certainly caused a great increase in the raising of live stock in Canada and the United States. This is at present more evident in the case of hogs, sheep and lambs than in cattle, as the former come to maturity and to marketing condition so much more quickly. The home demand, both in Canada and the United States, has been greater than ever before and prices therefore often better on this side than in Europe. Notwithstanding that large quantities of western cattle have been brought east and slaughtered, there has not been the usual quantity for export. On the other hand hogs are not raised in any important way yet in the west and the bacon curers of Ontario and Quebec are sending large quantities of cured meats there instead of abroad. Apart from the growing requirements of the meat trade more cattle are being kept for dairy purposes, but the number of cattle on the land has been too small for several years.

In view of the drought much smaller figures for dairy exports might have been expected but the impulse given by high prices has prevented this. Cheese exports from Montreal amounted to 1,810,000 boxes, slightly less than for 1909 and 1910, while the exports of butter were five fold those of 1910 and were higher than for five years past. Prices of both articles were at the highest point, and the results for 1911 in money were \$22,705,000, against \$17,872,000 in 1910. The total is the largest since 1906.

That there has been much planting of new fruit trees and spraying and pruning of old ones neglected hitherto,

and a great revival in fruit farming generally, there can be no doubt. The year in Ontario and Quebec was not very favourable, however, and the home market being large, the exports of apples from Montreal were only 274,887 barrels, much better than the low year of 1910, but far below the average of ten years, which is 455,618 barrels. There has been a handsome increase in the exports of grain and a very large increase in exported flour and hay as compared with recent years. Notwithstanding the short season the volume of traffic both in passengers and in freight exceeded that of any previous year in the history of the port of Montreal.

In manufacturing we have again to record general additions to plant, a much increased output, and in many cases inability to cope with the demand for goods.

The cut of lumber in the Ottawa valley and in most districts in Ontario and Quebec will, because of low water, be slightly smaller than for the previous year, and the cost of production will again be higher. Deals are all sold at higher prices, the market for high grade white pine is good, while the common grades of lumber which have been so difficult to sell since the depression of 1907 in the United States, are in better demand, although the cheap southern pine is still a menace to our product. In the United States and Canada the use of fire-proof building material and of cement and iron generally in place of wood is growing rapidly. Already it is suggested that the United States has passed the highest point of per capita consumption of lumber. As yet, however, we use only a fractional amount of fire-proof material as compared with an old-world country such as Germany. So that an important readjustment of our lumber requirements relatively to other things will gradually come about. This will certainly not lessen the necessity for conservation but it may cause the punishment for our wastefulness to fall a trifle less heavily than we deserve.

Ontario's mineral production grows rapidly. For 1910 the total was \$39,313,000 (at the mines, or \$43,017,000 when marketed), against \$17,854,000 in 1905, the largest items being silver and nickel. Out of a total production of minerals for all Canada of \$105,000,000 as marketed, Ontario contributes about 40 per cent., although it possesses no coal and that mineral makes 28 per cent. of the total for all Canada. The estimated silver production at Cobalt for 1911 is about 31,500,000 ounces, worth about \$16,300,000. The value for 1910 was \$15,478,000 and the total product of the Cobalt camp to date is a little under \$65,000,000. This means with freight and smelter charges added, a value in the silver markets of about \$69,000,000. A few years ago we moved into the third place among the silver producers of the world, but our production was still very small as compared with Mexico and the United States. Now, however, we contribute 15.1 per cent. against 25.9 from the United States and 33.3 from Mexico. Adding 8.6 per cent. from Central and South America we find that 82.9 per cent. of the world's production of silver comes from America. We are watching with keen interest the developments in the Porcupine district where the question of the importance of Ontario as a gold producer is being tested. Very important sums, running altogether into millions, are being spent in development by men of experience and there is certainly a large value of gold in sight. It seems probable that the production for 1912 will be enough to attract still further attention to this district. The whole north country of Ontario has great possibilities in agriculture, mining and other industries, but much more must be done in affording transportation before even a moderate scale of development is possible. It is nearly impossible, for instance, to demonstrate the merits of a camp such as Gowganda so long as supplies have to be hauled about fifty miles after leaving the railway.

Notwithstanding the general effect of the drought, the provinces of Ontario and Quebec had a very successful year.

Farm and town real estate values continue to rise and real estate transactions have exceeded all previous experience in scale and price. Building was perhaps never on so large a scale, whether for municipal, manufacturing, business or residential purposes. There has been an unusual amount of investment in securities and in this respect the public has had some experience of the folly of creating so-called mergers, not so much to improve the conditions of the particular business as to create bonds and shares on an imaginary basis of profits for stock-jobbing purposes. A very large amount of savings in these provinces is also being risked in real estate speculation in the outlying sections of rapidly growing cities in other parts of Canada. These properties on which such rash speculation is based often lie many miles from any settled part of the particular city, and it is to be regretted that the individual who is induced to invest the savings of years in such ventures, very often possesses slight idea of the risk he is running.

MANITOBA, SASKATCHEWAN AND ALBERTA

Practically all the early estimates of the yields of produce for 1910 in the western provinces were astray, the error in underestimation varying in the case of wheat from 12,000,000 to 25,000,000 bushels. The drought throughout the west had not affected the yield or the grade as seriously as was expected, and this was particularly the case in Manitoba where the bulk of the high-grade wheat was produced.

Opinions as to the outcome of the crop of 1911 have also been widely different, owing largely to unsatisfactory weather conditions. The season of 1911 did not open altogether favourably although preceded by a favourable autumn, in so far as the preparation of the land and increased acreage were concerned. The area under cultivation had been increased 15 per cent. for wheat, 4 per cent. for oats, 12 per cent. for barley and 4 per cent. for flax over the year 1910.

The weather conditions were such that the grain grew rapidly and the outlook was promising well into the month of August. At that date estimates of a wheat yield of 200,000,000 to 225,000,000 bushels, of oats 200,000,000 bushels, barley 40,000,000 bushels, and flax 10,000,000 bushels, were made by competent judges and it appeared for a short time as if these figures might be reached. Towards the end of August, however, the weather became cold and wet. The result was that the ripening season was shortened and throughout large areas in Saskatchewan and Alberta the grain was in a green condition when the frost came in September. In Manitoba, however, the crop had ripened somewhat earlier than in Saskatchewan and Alberta and the results in the older province, both as regards grade and yield, have been satisfactory. Despite the extraordinarily unfavourable weather which prevailed during September, October and November over a large part of the west, it is conceded by competent authorities that the three western provinces have the largest and most valuable crop which they have yet produced. From recent information collected by our own staff we estimate that the final results will be approximately as follows:

Wheat	175,000,000 bushels
Oats.....	180,000,000 "
Barley.....	35,000,000 "
Flax.....	6,000,000 "

having a money value to the farmer of upwards of \$200,000,000. Of the wheat not quite 50 per cent. will grade as milling wheat. In the case of the other cereals the percentage of high-grade grain will be somewhat higher. The high prices which have existed for the lower grades, however, in consequence of the export demand for all kinds of coarse grains, have largely offset the loss consequent upon the damage by unfavourable weather.

There are some object-lessons to the farmer in connection with the past season's work which might well cause him to pause and seriously consider. Most important of all is the question of a greater diversity of farming. We have frequently touched upon this question, and while something has been accomplished, there is still great room for improvement. We refer particularly to the apparent indifference of a very large percentage of our farmers to the raising of high-grade cattle, hogs, horses and sheep and also to the lack of effort on their part to produce such profitable commodities as milk, butter, eggs, cheese, vegetables, fruit, meats, poultry and all the minor by-products which the farm is capable of producing. It is a deplorable state of affairs that western Canada imports from the United States very large quantities of the commodities mentioned, the value of which runs into millions of dollars yearly. The main cause of these unsatisfactory conditions is that the majority of farmers confine their efforts almost solely to the raising of grain, and appear to forget entirely the value of the home market for the products mentioned. It is true that the agricultural colleges in the three provinces are doing excellent work, but the progress which is being made is comparatively slow and can only be materially accelerated by the farmers generally helping in the good work. Experience has proved that large profits, not long delayed, await the farmer who will intelligently carry out a system of intensified farming. He must pay attention to a proper rotation of crops, to the value of increasing and preserving the fertility of the soil by the use of manure and other fertilizers, and to the extermination of noxious weeds. He must also have a right conception of the amount of labour required, in addition to his own and that of his family, for carrying on properly the work of the farm.

The weather conditions in the autumn of 1911 would almost warrant us in predicting a considerably smaller



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



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acreage of wheat in 1912. Much will depend upon the weather conditions of the coming spring. Little ploughing was done during October and November owing to the unusually early freezing of the soil. In view of the improved facilities for carrying on all kinds of farm work, much can still be accomplished if we have an early spring. It may not, however, in the end be a serious drawback to the country if a late spring should result in having large areas of land put into summer fallow. Such a process undoubtedly enriches the land and experience proves that land so treated over a series of years gives the best total results. Grain, other than wheat, such as oats, barley and flax, as well as roots, can be seeded somewhat later and excellent results obtained.

While speaking on this subject it may be of interest to know that last year Canada stood fifth among the nations of the world engaged in the production of wheat. The figures are as follows:

	Acres.	Bushels.
United States.....	52,123,000	658,567,000
Russia in Europe..	73,818,000	629,300,000
British India.....	29,670,000	370,413,000
France.....	15,644,000	320,142,000
Canada.....	10,503,000	204,634,000
Hungary.....	9,095,000	192,691,000

It will doubtless not be many years before Canada will advance to a much higher position in the above list.

The winter of 1910-11 cannot be regarded as having been altogether satisfactory for the live stock industry. The early months of 1911 were very cold, with heavy snow-storms and blizzards in the districts where the animals wintered and it was feared that heavy losses would fall on the ranchers. The spring, however, opened favourably with plenty of moisture in the ground, the grasses grew rapidly and luxuriantly, and cattle which had grown thin soon showed signs of improving. As a general rule the

cattle came on the market in good condition and prices for all grades have been higher than during the past 15 or 20 years. Quite a large number, however, will be carried over till the spring, as farmers and dealers will take advantage of the large quantity of low grade grain in the country and by feeding it during the winter will have their animals ready for the market early in the year. Hogs and sheep have commanded high prices throughout the year, but it is to be regretted that they are not raised in sufficient numbers to meet the demands of the local packing houses. It is a satisfaction to note, however, that at several points in Saskatchewan and Manitoba farmers have recently been purchasing small flocks of sheep. As a further matter of interest we may add that between the 1st January, 1911, and the 18th November, 1911, live stock were received at the stock yards in Winnipeg as follows:

Cattle.....	89,765 head
Hogs.....	73,494 "
Sheep.....	38,289 "

An agreement has now been concluded between the railways centering at Winnipeg for the establishment of more extensive stock yards at St. Boniface, Manitoba. Such improved facilities should encourage the rancher and farmer to develop the live stock industry to a greater extent in order that the requirements of our local packing houses may be fully supplied from our own country.

During the past five years a great change in conditions has taken place in the raising of horses. Ranges which were formerly used for the purpose have been divided into farms and as a consequence the stock of range horses is rapidly diminishing and a good market has developed for farm horses imported from the eastern provinces. Prices for this class of animal vary from \$500 to \$700 per team. A good demand for horses has also been created on account of the

amount of work being carried on by the railways and irrigation companies.

The logging season of 1910-11 opened quite actively and a large cut was made by most of the operators. The weather was satisfactory for the greater part of the winter, although towards the end of it the snowfall was heavy and interfered a little with getting the logs out of the woods. The big operator was able in the main not only to secure the logs of the year's cut but also to draw out the logs of the previous season, left in the woods owing to the early breaking up of the previous winter. In the spring the demand for lumber was general, satisfactory sales were made and prices continued good until June, when keen competition developed between the manufacturers of spruce and the coast and mountain mills. A large quantity of low grade stuff was also brought in from the United States. Favourable freight arrangements were also conceded by the railways to the coast and mountain mills. This concession, coupled with the cheap article from the United States, placed the manufacturer of spruce at a disadvantage and sales and profits alike were somewhat curtailed. Taken as a whole, however, both manufacturer and jobber have had a satisfactory year. The present season also promises to be an active one and a large cut of logs is predicted.

It is noticeable that the new settlers who entered the prairie provinces in 1911 were of a better class than in any previous year. Commenting recently upon the matter the Dominion Government officials report that from the 1st January, 1911, to the 25th November, 1911, there entered Canada as immigrants 338,986 persons. Of these 214,458 entered at ocean ports, and 124,528 came from the United States. Of those entering by ocean ports 169,429 were British, while the balance, 45,038, were from Continental Europe. Of the combined British and Europeans (214,458) it is estimated that 50 per cent. settled west of the Great Lakes,

whilst of the American settlers (124,528) it is estimated that 85 per cent. also settled in western Canada. It is estimated that the amount of money and other assets which each settler brings into the country is as follows:

British.....	\$150 to \$200
Other European.....	10
American.....	1000

The fish and fur industries do not as yet represent a large volume of business to the western provinces. They are capable, however, of very great development and the progress made during the past year has been satisfactory. The lakes of Manitoba, Saskatchewan and Alberta contain almost unlimited quantities of valuable fish, and good markets at profitable prices are found for the catches in the United States and the western provinces. The Dominion Government have at last realized the importance of the fishing industry to the western provinces and a Commission has been appointed to investigate existing conditions thoroughly. A report by the Commission is now in course of preparation. The industry during the winter months affords employment to a large number of settlers and Indians in the northern parts of the provinces who are thus able to supplement their earnings derived from farming and other pursuits. The fur catch is an important industry to such places as Edmonton and Prince Albert. Owing to the severity of the winter of 1910 trapping conditions were not altogether favourable and the catch fell somewhat below normal figures. To offset this it is satisfactory to note that prices were higher and the year's business has been profitable.

The coal industry has been in a very unsatisfactory condition for nearly a year in consequence of the labour troubles existing in the coal districts of western Canada. Fortunately, in September last, a basis for settlement was reached between the owners of the mines affected and the

miners. A contract has been entered into for a period of $3\frac{1}{2}$ years, and it is expected that no further trouble will arise during this period of time. It is devoutly to be hoped that the results expected from the agreement will be realized. Undoubtedly a great injury was done to the industry as well as to manufacturing and commercial enterprises, and the loss of wages to the men was very large. The local Governments and the railways, however, realized the gravity of the situation and have done a great deal to relieve matters.

There has been great activity in real estate during the year throughout the west as regards farm, city and town properties. In cities and towns the great danger has been in the number of outlying subdivisions placed on the market. The cure for this unhealthy state of affairs rests in the hands of the more reliable firms, and we cannot too strongly urge upon them the importance of applying the remedy without delay. It is not our desire to point to any particular place or district as the reliable dealers are undoubtedly in a better position to know the situation than ourselves. It is to them, however, that the commercial community look for protection from a catastrophe which will inevitably come if present methods are allowed to continue. Undoubtedly desirable inside properties in our principal cities and towns have a good basis for existing values, but these must suffer materially unless something is done to stop the inflation in the values of outlying districts. Farm lands are firmly held at advancing prices, justified perhaps by the results of several years of good average crops. It will be a great detriment to the west, however, if our cheap lands are advanced so rapidly in price as to make the new settler hesitate about coming to us.

The building trade, with few exceptions, has been exceedingly active in western cities and towns. The record figures reached in 1910 in such cities as Winnipeg,

Calgary, Edmonton, Regina, Saskatoon, Moosejaw, Medicine Hat and Prince Albert will probably be exceeded by the final figures of 1911. We understand, too, that in the larger centres a decided effort is being made to improve the standard of the buildings erected. The industrial development taking place in our chief business centres is an important factor in such activity, and as the population increases we shall doubtless find that such development will be much more rapid than many of us at present realize.

The extension of the three railways, the Canadian Pacific Railway, the Canadian Northern Railway and the Grand Trunk Pacific Railway has been carried on to a greater extent than at any previous time and the disbursement of money in this connection has materially helped the prosperity of the western provinces. It is likely that these expenditures will continue for some years to come in order to meet the growing requirements of the country.

New capital has come freely from Great Britain, Continental Europe and the United States. Municipal, mortgage and industrial securities have been eagerly sought and we think the results will prove generally satisfactory to the investor. Capital, however, is timid of investment in new countries and new enterprises, and every care should be exercised to guard the interests of bona fide investors. There are some things already of which our local Governments and municipal authorities might well take notice.

The increase of population and wealth in the centres has created a desire for the best class of pavements, roadways, sewers, etc. This is very commendable, but the authorities in providing such improvements are inclined to load the future to too great an extent. Debentures which are drawn for 5, 10, 15, 25 and 30 years would be more sound if drawn for 2, 5, 7, 10 and 15 years, the shorter periods of time more nearly representing the life of the improvement.

Municipal and Government ownership of public utilities has a tendency to extend unduly and there are already signs of failure in this connection in several directions. Any considerable disaster would undoubtedly result not only in new capital being withheld from us but investments already made might be realized upon in a way which would reflect seriously upon the credit of the people and the country.

Before passing from this subject we should like to say that the one matter at least which might well be regarded as coming within their scope of operations. We refer to protection to the farmer from the effect of hailstorms. We allude particularly at this time to the subject as the number of farmers who suffered in this respect last year is greater than in any previous year, and the individual loss has been heavier. As the area under cultivation increases the number who will suffer loss and the aggregate losses will increase considerably. It is well, therefore, to consider what protection can be given to minimize the loss. The Government of Alberta gives some protection to farmers who pay certain schedule rates of insurance, and local companies also operate in that province as well as in the provinces of Saskatchewan and Manitoba. This protection on the existing basis is not generally made use of. It appears to us that a regular tax authorized by the Legislature would be feasible. Were all farmers obliged to pay on the basis of an approved schedule, the obligation would not be burdensome.

In concluding our remarks regarding these provinces it is but fair to say that although the western crops will produce a larger amount of money than those of any previous year, yet the conditions under which they will have been gathered and marketed will interfere with an early liquidation of the indebtedness of the farmer and merchant. The wholesale dealers and manufacturers, however, practically in all lines of business, report large

increases in the volume of trade over previous years, and they evidently feel satisfied with the credit thus extended to their customers.

BRITISH COLUMBIA

The development of British Columbia in agriculture and kindred pursuits, a slower process than in fishing, lumbering, and mining, is now advancing rapidly, and the number of districts in which fruit growing and mixed farming are becoming important industries is very marked when compared with a few years ago. Unfortunately, considering the great cost of clearing and the richness of the soil, the price of land fit for settlement in this province seems high, and, indeed, it might be better for the future of the province if it was lower. The promise of fruit farming is, however, very attractive, and those who are wise enough to develop mixed farming should find a ready market for many years to come in a rich province, where the absence of sufficient cultivation of the soil causes the importation of enormous quantities of butter, eggs, cheese, meat and other products, all of which should be produced at home. In several districts plans are being considered for ready-made farms, and these, if properly carried out, should enable the less experienced settler to start under more favourable conditions than at present. The winter was unusually severe for this part of Canada, and was followed by a late and wet spring. This was hard on all fruit crops, too much growth of wood and too little of fruit resulting. Prices were, however, so high that the results were fairly satisfactory. Only a small part of the trees planted are old enough to bear, and only a small part of the land suitable for fruit culture is so occupied. The high quality of British Columbia fruit is becoming more widely known every year. Hay—an important crop—roots and potatoes all yielded plentifully and sold readily at good prices. The year has been profitable to the stock raiser, notwithstanding the high price of hay, and,

generally speaking, those who have followed agricultural, pastoral or fruit farming in British Columbia are more than ever convinced of the great future of that province. What is wanted is land not too dear, which may come if the Dominion Railway Belt is opened for settlement, and with increased transportation facilities. For most products the market is at hand.

The year has been better than was expected as regards the catch of salmon, the total being 948,965 cases, against 453,511 cases in 1907, the natural year for comparison. This is to some extent due to the packing of cheaper varieties of salmon, for which there is a large demand, and sales were readily made at high prices. The packers are, as a rule, in a strong position financially, and the industry has never been in a better state so far as management and market conditions are concerned. The one regrettable fact is that we are not doing all that is possible to conserve and to promote an industry of such a profitable nature. We have not yet arrived at an arrangement with the United States to protect the salmon in Puget Sound, and our halibut fishing is still being interfered with by poachers from that country. The great market in our own prairie provinces, present and prospective, and the demand elsewhere in the world; the knowledge that the Pacific possesses many food fishes which are practically unfished; the need of large communities of white fishermen on our Pacific coast; and the value to the province, direct and indirect, of the profits from such an industry when properly developed, should cause the energy necessary to a larger success to be put forth, whether by Government regulation or by the enterprise of capitalists.

A year ago we stated that the immediate outlook for the sale of the lumber from the mountain mills was good, apart from the prospect of more dumping by United States manufacturers. Unfortunately, trade has continued to be bad in the United States, and great quantities of low grade lumber have been sold in Canada at less than the cost of production.



RED DEER, ALTA



Some of this lumber is entered fraudulently, being billed as rough lumber or as surfaced only on one side, when it is actually lumber finished for the United States market and treated later so as to look like partly rough lumber. The mountain mills prepared for a heavy season, but their calculations were entirely upset by this state of affairs. Immediately south of British Columbia lies the greatest lumber-producing area in North America. Its natural output has been greatly increased by the necessity to cut over large areas in Idaho, Washington and Montana, where there have been extensive forest fires recently. If manufacturers there are pressed by their obligations and their bankers are less able to take care of them than are Canadian banks to take care of their customers, the result is evident so long as Canada is a free dumping ground. Our manufacturers must pile up stocks which the banks must carry, or the cut of lumber in our mills must be curtailed and workmen be thrown out of employment, in order that United States mills may be kept in operation. This winter, in any event, the cut will be reduced awaiting some adjustment of the situation. Mills more favourably situated as to freights than the mountain mills, but also depending on the prairie trade, have done well, despite a certain amount of loss from United States dumping. The coast lumbermen have suffered even more from this competition than the mountain lumbermen, not only by dumping and by the loss of export trade, due to the United States manufacturers being willing to fill orders at less than cost. Shipments from Washington, the State which produces most lumber, to points in Canada from Winnipeg to the Pacific coast, are said to have increased from three to five times in volume since the depression in that country set in. The circular of the Secretary of the Canadian Lumbermen's Association issued in August last gives the following figures as the shipments of boards, deals, planks, joists and scantling for the years ending 30th June, 1909, 1910, 1911:

Year.	Ft. B.M.	Value.	Average Price per 1,000 Ft.
1909....	127,099,000	\$3,317,043	\$26.09
1910....	189,193,000	5,163,477	27.23
1911....	403,285,000	9,266,275	22.97

The comparison of 1909 and 1911 for the nine months ending 30th September, as follows, is still more striking:

Year.	Ft. B.M.	Value.	Average Price per 1,000 Ft.
1909....	104,750,000	\$2,845,695	\$27.16
1911....	379,226,000	7,946,072	20.95

The increase between 1909 and 1911 for the nine months referred to is, therefore, nearly 275,000,000 feet board measure, or 162 per cent., while the decrease in the average price is \$6.21 per 1,000 feet board measure, or nearly 23 per cent. These figures apply to all Canada, but the conditions of the industry in British Columbia are much worse than elsewhere. The average price received by British Columbia lumbermen is \$3 to \$4 per 1000 feet less than the average for all Canada. Since the preparation of these figures we are told that larger quantities than ever are being dumped and that prices have declined still further. It does not appear that the consumer has benefited by this dumping, the profit apparently going to the middleman.

The year has been one of unusual importance in mining in the province. The coast coal mines have all done a larger business at good prices and with an active demand. Improvements on an extensive scale, looking to an increased output, are being made. In the Crows Nest district, to which reference has already been made, the mines, of course, suffered from not being worked, and had to begin, after the strike, with a much smaller number of men, so that the full output cannot be attained at once. The miners seem to have gained nothing, while smelters have been idle or have worked at a loss, railroad companies

in some cases have installed oil-burning engines, new coal properties have been exploited, perhaps unnecessarily, and the people who depend on coal for their comfort may suffer this winter for lack of fuel. The total output of British Columbia for 1911 is estimated at 2,440,000 tons, as compared with 3,139,000 tons in 1910. The history of copper mining and smelting for the year turns on the coal strike. But for that it would have been a record of high production. When the strike occurred, an effort was made to work with Pennsylvania coal, but the cost and quality of the coal made this impossible for one company and most unprofitable to others. Work will now be resumed on a full scale. The decline in the output is shown in the following figures, which are for the Boundary mines alone: 1909, 1,595,000 tons; 1910, 1,699,000 tons; 1911, estimated at 1,200,000 tons. The price of copper has been lower, averaging about 12.26 cents per pound, against 12.86 cents in 1910 and 13.05 cents in 1909. Labour conditions have been excellent. In the Kootenay district there has been unusual activity. Consolidation of interests, more efficient management and larger capital should result in more profitable working of these difficult silver, lead and copper ores. Elsewhere in British Columbia, especially in the north, very interesting developments in mining in widely separated districts are taking place, but it is too early to speak confidently as to results.

The growth of the city of Vancouver continues to be remarkable, as shown by the great increases in building permits, in the assessed values of property, in bank clearings, in customs duties paid and in the earnings of tramways. The only feature calling for discouragement is the speculation in real estate values, for much of which promoters in other financial centres, even in England, are almost as responsible as are those in British Columbia.

There is great activity in the province at present in railway, tramway and ordinary road building, in adding to dock

accommodation to take care of the increasing ocean traffic, and in provincial, municipal and individual building of all kinds.

YUKON DISTRICT

The year was marked by further consolidation of properties in the hands of the dredging companies as opposed to the individual operator. Coal mined in the district has been used for the first time as fuel in thawing operations, and has proved satisfactory. The season was unusually dry, and this affected the output of gold, which is estimated at about \$4,200,000. In southern Yukon very extensive work in opening up mines in several localities is under way, and eventually this must become a mining region of great importance.

UNITED STATES

We have passed through another year in which conditions have remained steadily better in Canada than in the United States. The cost of living still presses hardly upon the average earner; the tariff remains unadjusted; the attacks, in the supposed interest of the people, upon large industrial corporations, for alleged illegal actions, continue, and a Presidential election is at hand. While the underlying conditions are sound, it is quite natural that enterprise in every form should hesitate until such clouds pass away. The tendency at the moment, however, is towards an increased volume of trade and a more hopeful outlook. Low prices for iron and steel are producing in a marked manner the natural result of increased purchases. The price of copper is advancing, and the trade in cotton goods is decidedly better. This improvement in main staples follows a period of widespread industrial liquidation in which much plant was kept idle, purchases of raw material were largely curtailed, and prices were sharply marked down. Such a course of trade was really due in 1908 as a result of the collapse of 1907. The imports for the ten months of 1911 were \$1,264,000,000, only slightly less than for 1910, but the exports were \$1,666,000,-

000, bringing the excess up to \$402,000,000 against \$134,000,000 in 1910. This is a long move towards restoring the condition preceding 1907, but whether it will be maintained when expenditure becomes more active remains to be seen.

Turning to the States in which we are directly interested, in Washington the grain crops were satisfactory as a whole in both yield and price; the fruit crop was lessened somewhat by frosts, but high prices prevailed; and dairying continues to make good progress. The salmon pack was the largest and most profitable on record, resulting in a total of 5,877,000 cases, worth about \$30,000,000, and the trade in other fish continues to grow rapidly. The lumber business as already stated has been very unprofitable, partly because obligations resulting from the extensive speculation in timber lands in recent years have left many manufacturers without the choice of curtailing their operations, and the hitherto sufficient eastern market has failed to absorb the output. The production of this State, which lies alongside British Columbia, has again been the largest of any State in the Union, amounting to 4,097,500,000 feet, worth about \$42,000,000, or including shingles, about \$52,000,000. There has been a marked increase in shipping, and there are now five regular lines leaving Puget Sound.

The year has again been very prosperous for Oregon. The wheat crop was large, and the foreign trade in wheat and flour excellent. In lumber there was the same loss from over-production as in Washington. Portland is now established as the chief live-stock market on the Pacific slope, and attracts shipments from as far east as Montana and Nebraska. The railroads have spent over twenty million dollars recently in opening eastern Oregon to settlers, and further expenditures are probable. Large tracts of land hitherto used for cattle and sheep will be converted into farms and irrigation supplied where necessary.

California as usual presents a year with excellent results. Fruit growing and canning and grape culture have done well, the value of the product of the orchard and vineyard together being about \$85,000,000. Shipments of fresh deciduous fruits reached 15,000 cars, worth about \$14,000,000. The cultivation of 342,519 acres in vines produced in table grapes, raisins, wine and brandy about \$24,000,000. The crop of raisins reached 56,000 tons, more than twice the product of Spain. Shipments of citrus fruits reached 40,000 cars, worth \$35,000,000 to \$40,000,000. The production of oil for eight months of 1911 was 63,835,000 barrels, compared with 62,630,000 for the same period in 1910. The consumption for the same time was 54,605,000 compared with 41,280,000 in 1910. This very great and very necessary increase in consumption was mainly due to the extended use of oil by railway systems and steamship companies. It looks as if the production and consumption would meet in the near future, and the large reserve stocks of oil which have been accumulated be brought into use. The total mineral product of California is estimated roughly at about \$88,000,000.

It is thought that the sugar crop of the Hawaiian Islands will be about 550,000 tons. Rather to the surprise of the planters, prices have advanced owing to a shortage in the world's supply of perhaps 2,000,000 tons. In population California in the last decade has advanced from the twenty-first to the twelfth place in the Union. The total value of the products of the soil for 1911, including minerals and live stock, has been about \$525,000,000. Little more need be said for the wealth of this remarkable State.

MEXICO

During the year, as you know, the government of President Diaz, which had existed for thirty years, and which seemed peculiarly secure, has been overthrown, partly by armed force, but also, as we must now recognize, by widespread public opinion. It is too early to feel assured that

the country will settle down peacefully under the new administration, but it is very satisfactory to realize that such a change could take place with so little disturbance of business conditions and especially with so little damage to property. The foreign trade of Mexico shows how little the revolution affected business conditions. The imports for the fiscal year ending 30th June, 1911, were \$206,000,000, Mexican currency, against \$194,000,000 in 1909-10 and \$232,000,000 in 1906-7, the highest year on record. The exports, happily larger than the imports, were for last year \$294,000,000, against \$260,000,000 in 1909-10 and \$271,000,000 in 1905-6, the largest previous record. Of the imports, machinery accounts for \$26,000,000, reflecting the development in mining and other industries, and \$25,000,000 is accounted for by textiles and wearing apparel. Of the exports the striking figure is \$33,000,000 for raw and finished rubber, an increase of \$7,000,000 over the previous year, and an item of export practically not produced in Mexico a few years ago. The most important development, however, is in oil production. Out of a world consumption in 1910 of 43,000,000 metric tons, Mexico provided over 6,000,000, or one-seventh of the whole. Railways and industrial plants are naturally being equipped for this cheaper fuel.

The adoption of the Report was then moved by the President, seconded by the Vice-President, and carried unanimously.

The President: Since the close of the Bank's fiscal year we have entered into an agreement with the Directors of the Eastern Townships Bank for the union of the two institutions, the basis being that we are to give 60,000 fully paid-up shares of stock in this Bank of the par value of \$3,000,000, in exchange for the assets of the Eastern Townships Bank, the par value of the capital stock of that Bank being \$3,000,000. The matter awaits the approval of the shareholders of the Eastern

Townships Bank, for which purpose a meeting will be held on 14th February next.

If you will look at the map of Canada in this room which shows the position of our branches, you will see that such a union is greatly in the interest of the two institutions, and that it will make the united branches of the two Banks throughout Canada a very nearly perfect system.

The customers and shareholders of the Eastern Townships Bank have always been peculiarly loyal to that institution, and, should the union take place, it will be our strong desire, not only to retain, but to foster and increase the valuable asset represented by that goodwill, which, indeed, has been one of the main reasons for trying to bring about such a union. Under the system we have followed in other cases, the name of the Eastern Townships Bank will be kept prominently before the public in connection with our own. It will, doubtless, be our purpose to add to the many branches of the Eastern Townships Bank further establishments in the Province of Quebec, and to improve, if possible, by our larger capital and facilities, the service hitherto afforded by the Eastern Townships Bank to its customers in that part of Canada, which has depended mainly upon that institution for banking service. In anticipation of the completion of this transaction, a by-law and resolution are necessary, which the Vice-President will now propose.

The Vice-President: The Board of The Canadian Bank of Commerce at present consists of fourteen. In the proposed agreement with the Eastern Townships Bank there is a clause that, when it takes effect, after having been approved by the Government, we are to elect a certain number of the present Directors of the Eastern Townships Bank upon the Board of this Bank, and, to enable this to be carried out, it is necessary to increase the number of our Directors. There is a clause in the by-law which I am about to read postponing its coming into force until the agreement with the Eastern Townships Bank becomes effective. The Bank-

ing Act authorizes the filling of vacancies which occur between annual meetings by the Board itself. The by-law is as follows:

"Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce, at the corner of King and Jordan Streets, Toronto, on Tuesday, the 9th day of January, A.D. 1912, as follows:

"1. That the number of the Board of Directors of The Canadian Bank of Commerce be and it hereby is increased from fourteen to not exceeding nineteen.

"2. Unless and until the proposed agreement between The Canadian Bank of Commerce and the Eastern Townships Bank, under Section 99 of the Bank Act, shall have been entered into and shall have been approved by the Governor-in-Council, this by-law shall not come into effect, but, forthwith upon such approval, this by-law shall come into effect, and vacancies thereunder in the Board of Directors shall be filled by the remaining Directors by election from among the qualified shareholders."

I beg to move, seconded by Mr. Flavelle, that the said by-law of The Canadian Bank of Commerce increasing the number of Directors, read to the meeting by the Vice-President, be passed by the shareholders, and that the same be executed under the corporate seal of the Bank and countersigned by the President and the General Manager. Carried.

The Vice-President then moved, seconded by Mr. Flavelle:

"Whereas, by resolution of the shareholders passed at the annual meeting held on the 10th day of January, 1911, the action of the Board in enlarging the Pension Fund of The Canadian Bank of Commerce and placing it upon a basis sufficient to include therein provisions for widows, orphans and other dependents of deceased employees of the Bank, and for certain payments in the nature of insurance benefits to the representatives or dependents of certain

employees, was approved and confirmed, and there was set aside out of the surplus profits of the Bank, commencing in 1911, a sum not exceeding one hundred dollars per annum per member of the fund, and it was provided that out of the sum so set aside there should be transferred to the fund, from time to time, such sums as the Board might think necessary;

"And whereas, if the proposed agreement between The Canadian Bank of Commerce and the Eastern Townships Bank, under Section 99 of the Bank Act, should take effect, it may be necessary upon the transfer of the Pension Fund of the Eastern Townships Bank to the Pension Fund of this Bank, and upon admission to the fund of officers and employees of the Eastern Townships Bank, as provided for in said agreement, to transfer to the Pension Fund of this Bank sums in addition to those authorized by said resolution, in order that said Pension Fund may be maintained upon a proper basis;

"Be it therefore resolved that, upon the said agreement being entered into and taking effect, the Board of Directors may from time to time transfer to the said Pension Fund out of the surplus profits of the Bank such additional sums as the Board may think necessary in order that the said fund may be maintained upon the basis contemplated in said resolution." Carried.

The President: If this transaction is completed, it will absorb the entire authorized capital of the Bank. In order that we may prepare for that growth in connection with the development of Canada which we expect, and that we may not again in the near future need to ask the approval of the Government to an increase of capital, the Vice-President will propose a by-law increasing the authorized capital from \$15,000,000 to \$25,000,000.

The Vice-President then read the by-law as follows:

"Whereas the capital stock of The Canadian Bank of Commerce is now \$15,000,000, and it is expedient that the same should be increased by \$10,000,000,

"Now, therefore, be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce, at the corner of King and Jordan Streets, Toronto, on Tuesday, the 9th day of January, A.D. 1912, as follows:

"That the capital stock of The Canadian Bank of Commerce be and the same is hereby increased from the sum of \$15,000,000 to the sum of \$25,000,000, by the addition thereto of 200,000 shares of \$50 each, equal to \$10,000,000."

He then moved, seconded by Sir Lyman Melvin Jones: "That the said by-law of The Canadian Bank of Commerce increasing the capital stock thereof, read to the meeting by the Vice-President, be passed by the shareholders, and that the same be executed under the corporate seal of the Bank, and countersigned by the President and the General Manager." Carried.

The President: The shares of the Bank have stood, as you know, through its entire history at a par value of \$50 each. This is very clumsy, and we should like to ask your approval to the necessary steps to bring about a change. The Vice-President will again move the necessary resolution.

The Vice-President: In the Act which was introduced last session, and which is, of course, public property, there was a clause authorizing any bank, the shares of which were \$50, to re-divide its capital stock into shares of \$100 each, but it required the sanction of the shareholders before being acted upon. We have not yet seen the Banking Act which the present Government intends to introduce, but we hope it will contain a similar clause. If it does not, then, in order that we may not wait longer, we desire to apply for a special Act. I will now move, seconded by Sir John Gibson:

"Whereas the shares of the capital stock of The Canadian Bank of Commerce are now divided into shares of fifty dollars each;

"And whereas it is expedient and in the interest of the Bank and its shareholders that the capital stock should be divided into shares of one hundred dollars each

"Therefore, be it resolved that the Directors are hereby authorized and requested to do what may be necessary in order that the shares of the capital stock of this Bank may be one hundred dollars each, instead of fifty dollars each, and the Directors are requested to act under any general legislation which may be passed authorizing such division, and, if necessary, to apply for a special Act of Parliament to authorize the same."

The motion was then seconded by His Honour Sir John Gibson, K.C.M.G., K.C., LL.D., and carried unanimously.

Mr. William Davidson: I beg to move, seconded by Mr. Alexander Bruce, that the thanks of this meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank. Very little need be said in connection with this resolution after such a statement as has been presented to this meeting. The result of the combined efforts of the Directors is shown in the Report before you, and it must be eminently satisfactory to every shareholder. There are one or two things about it which are exceedingly gratifying, one being the \$500,000 which has been recovered. It shows that the affairs of this Bank are being looked after with a great deal of care and diligence, and that the foundations of the Bank are well secured. The other item is the fact that out of the earnings of the Bank we have been able to add to the Rest \$1,400,000. I am sure this Report will give to every one the very greatest confidence in the Bank and in those who are looking after and discharging the responsibilities and duties of carrying on its affairs.

Mr. Alexander Bruce, K.C.: I have much pleasure in seconding the resolution. The results of the year's business are so eminently satisfactory, showing profits of \$2,300,000, in addition to the recovery of \$500,000, which

is a very strong indication of wonderfully conservative management, that any words from the mover or seconder are totally unnecessary. Carried.

The President: On behalf of the Board I thank you very much for the renewed expression of your confidence. It gives us very great satisfaction to have the time arrive when we can explain to the shareholders that we have never taken one dollar of the profits made at the Dawson Branch into the ordinary profits of the Bank until now, when we have practically cleaned up the situation there.

Mr. F. B. McCurdy, M.P.: I have much pleasure in moving that the thanks of the meeting be tendered the General Manager, Assistant General Manager and other officers of the Bank for the satisfactory discharge of their duties during the past twelve months. The Canadian Bank of Commerce has a very large capital, including the Reserve Fund, of some \$20,000,000. It is self-evident that it is only by the intelligent employment of these funds that we are placed in the position where we can all sit down four times a year and endorse our comfortable dividend cheques. The President, the General Manager and the other officials have succeeded in developing throughout the service of this Bank a staff of employees and officers which will ensure its successful management in the future. For some years I had the honour of serving the Halifax Banking Company, an old bank incorporated in 1825, and I know something about the feelings of the man lower down, and I think his services should be appreciated. He is the man who comes in touch, day by day, with the customers of the Bank. He is the coming branch manager—he may become the General Manager, for all we know. He should be encouraged in every way possible. The Canadian Bank of Commerce has the reputation of treating its staff exceptionally well, probably better than any other of the banks, and the management are to be commended for adopting that policy, which brings patriotism and loyalty to the service.

The resolution was then seconded by Messrs. S. Nordheimer and Henry Beatty, and carried unanimously.

The General Manager: On behalf of the Executive and staff of the Bank, I thank you very cordially for this resolution, and for the very flattering remarks acknowledging our services during the past year. We appreciate very highly your very kind commendation. I take great pleasure in introducing to you Mr. John Aird, my yoke-fellow, a man of wide experience and knowledge of the Bank's business, whom we welcome to our councils here. I would ask the Assistant General Manager to make some remarks in this connection.

Mr. John Aird: I have to thank you very much for the kind words which you have said about me, and also to assure the Directors and shareholders that I fully appreciate the responsibilities of the important position to which I have been called during the last few months. As to the other matter, I must thank Mr. McCurdy for his remarks. The General Manager has, in his statement to you, referred to the onerous duties which the members of the staff frequently are called on to undertake. This is particularly the case in the newer parts of the western provinces, with which I have been connected for the last ten or twelve years, but we very seldom find that officers hesitate to discharge those duties thoroughly.

The General Manager: I should like to have a few words from a western representative. Mr. Saunders, of Calgary, whom we have here to-day.

Mr. Saunders: On behalf of the officers and the staff of the western branches, it gives me great pleasure, indeed, to speak to this resolution, which has been so strongly presented by my friend, Mr. McCurdy, from the Maritime Provinces. We appreciate these motions far more than you shareholders, perhaps, realize, and do not look upon them at all as formal. We recognize, as Mr. McCurdy says, that we do play our part in the up-building of the Bank's busi-

ness, but it is only fitting on an occasion such as this—I speak as a manager and I think I am speaking the sentiments of all the other managers—that a tribute should be paid to our Head Office Executive and our Board of Directors. It is true we come directly in contact with the customers, but without their assistance and their co-operation our efforts in the direction of building up the business of the Bank would be fruitless. Mr. Laird remarked in his annual address that he kept an efficient check on the managers of the branch banks. I can vouch for that—I have had personal experience—but I think he might have added, I am going to take the liberty of adding, that when they find they have managers in their employ who are capable of using good discretion and good judgment, they give us all sorts of liberties, and we are always ready to cope with any transaction that comes before us. I thank you very kindly for this resolution.

The President: Before the resolution is offered for the election of Directors for the coming year, I regret to have to announce the retirement from the Board of Mr. Robert Kilgour. Mr. Kilgour has been a Director for over twenty years, during which time he has always taken a sincere interest in the development of the Bank. Your Directors will, therefore, propose the name of our General Manager, Mr. Alexander Laird, for election as a Director.

I am sure that you will be pleased if I take this opportunity on your behalf of tendering our congratulations to the two members of the Board who have been honoured by the King since our last meeting. The Hon. Sir Lyman Melvin Jones was knighted at the time of the Coronation and His Honour Sir John Morison Gibson, K.C.M.G., at the New Year.

It was then moved by Hon. W. C. Edwards, seconded by Mr. Robert Stuart: "That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be opened and remain open until"

o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager."

The meeting then adjourned.

The scrutineers subsequently reported that the by-laws submitted to the meeting had been passed by a unanimous vote, and that the following gentlemen had been elected as Directors for the ensuing year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., William McMaster, Robert Stuart, George F. Galt, Alexander Laird.

At a meeting of the newly-elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President, and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

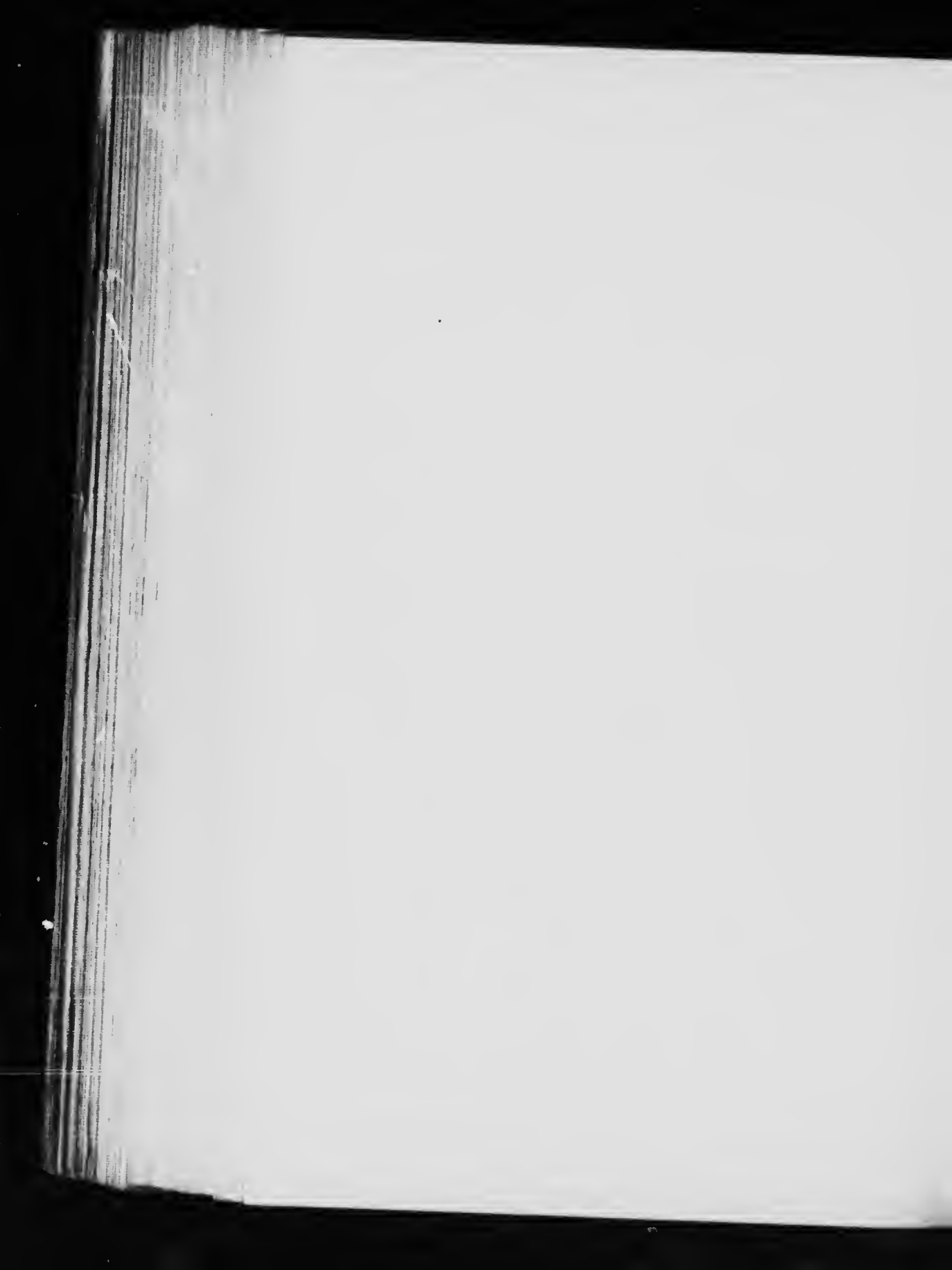
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REGINA, SASK.



THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1912



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP \$15,000,000
 REST 12,500,000

DIRECTORS:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.	PRESIDENT
Z. A. LASH, Esq., K.C., LL.D.	VICE-PRESIDENT
HON. GEO. A. COX	G. F. GALT, Esq.
JOHN HOSKIN, Esq., K.C., LL.D.	ALEXANDER LAIRD, Esq.
J. W. FLAVELLE, Esq., LL.D.	WM. FARWELL, Esq., D.C.L.
A. KINGMAN, Esq.	GARDNER STEVENS, Esq.
HON. SIR LYMAN MELVIN JONES	A. C. FLUMERFELT, Esq.
HON. W. C. EDWARDS	GEO. G. FOSTER, Esq., K.C.
E. R. WOOD, Esq.	CHAS. COLBY, Esq., M.A., Ph.D.
WM. McMASTER, Esq.	G. W. ALLAN, Esq.
ROBERT STUART, Esq.	H. J. FULLER, Esq.
SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.	F. P. JONES, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
 HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H. N. WALLACE, Esq., Chairman
 C. W. ANDERSON, Esq. W. J. G. THOMSON, Esq.
 JOHN MACNAB, Esq.

CHARLOTTETOWN BOARD:

W. I. A. WEEKS, Esq., Chairman
 F. R. HEARTZ, Esq. A. P. PROWSE, Esq.

SHERBROOK BOARD:

WM. FARWELL, Esq., D.C.L., Chairman
 GARDNER STEVENS, Esq. J. S. MITCHELL, Esq.
 C. H. KATHAN, Esq. F. N. McCREA, Esq., M.P.
 B. C. HOWARD, Esq.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

PRESIDENT Sir Edmund Walker, C.V.O., LL.D., D.C.L.
GENERAL MANAGER Alexander Laird
ASSISTANT GENERAL MANAGER John Aird
SUPERINTENDENT OF BRANCHES A. H. Ireland
SUPERINTENDENT OF PACIFIC COAST BRANCHES . . . H. H. Morris
SUPERINTENDENT OF CENTRAL WESTERN BRANCHES . . V. C. Brown
MANAGER-IN-CHIEF, EASTERN TOWNSHIPS DIVISION . J. Mackinnon
CHIEF INSPECTOR R. A. Rumsey
ACTING INSPECTOR E. L. Stewart Patterson
INSPECTORS
Wm. Hogg, W. Spier, F. B. Francis, C. L. Foster
ASSISTANT INSPECTORS
J. B. Corbet, J. A. C. Kemp, E. E. Henderson, G. G. Laird
AUDITOR E. C. Grundy
SUPERVISOR OF BANKING ACCOUNTS AND EXCHANGES . T. F. Aspden
SUPERVISOR OF BANK PREMISES Duncan Donald
SECRETARY A. St. L. Trigge

BRANCHES

BRITISH COLUMBIA AND YUKON—		
CHILLIWACK	K. V. MUNRO	Manager
COURTENAY		"
CRANBROOK	R. T. BRYMNER	"
CRESTON	P. B. FOWLER	"
CUMBERLAND	W. T. WHITE	"
DAWSON, Yukon	H. C. MORRIS	"
DUNCAN	E. W. CARR HILTON	"
FERNIE	L. A. S. DACK	"
GOLDEN	N. M. FOULKES	"
GRAND FORKS	C. H. NILES	"
GREENWOOD	J. T. BEATTIE	"
KAMLOOPS	G. S. HOLT	"
KELOWNA	H. G. PANGMAN	"
KEREMEOS	R. H. CARMICHAEL	"
LADYSMITH	L. M. DeGEX	"
MISSION CITY	W. H. MATHIEWSON	"
NAKUSP	H. L. ROTHWELL	"
NANAIMO	E. H. BIRD	"
NELSON	J. S. MUNRO	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	THOMAS ANDREWS	"
PHOENIX	F. E. BRINE	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	F. M. GIBSON	"
ROCK CREEK	J. T. BEATTIE	"
SALMON ARM	A. J. MARLOW	"
SOUTH HILL	F. W. HEATMCOATE	"
SUMMERLAND	P. S. WOOD	"
VANCOUVER	{ WILLIAM MURRAY	"
Do. EAST	{ M. D. HAMILTON	Asst. Mgr.
Do. FAIRVIEW	C. W. DURRANT	Manager
Do. HASTINGS AND CAMBIE	M. NICHOLSON	"
Do. KITSILANO	W. H. HARGRAVE	"
Do. MOUNT PLEASANT	P. GOMERY	"
Do. NORTH VANCOUVER	J. G. MULLEN	"
Do. PARK DRIVE	J. A. FORSTER	"
Do. POWELL ST.	W. H. JAMES	"
VERNON, B.C.	H. B. GORDON	Act. Mgr.
VICTORIA, B.C.	J. I. E. CORBET	Manager
Do. NORTH	{ F. L. CRAWFORD	"
Do. OAK BAY AVE.	{ R. W. H. KING	Asst. Mgr.
Do. PANDORA AND COOK	H. R. BEAVEN	Manager
Do. PANDORA AND COOK	A. B. MORKILL	Act. Mgr.
WHITE HORSE, YUKON	R. S. ROSS	Pro Mgr.
	D. ROSS	Manager

SUB-AGENCY

NARAMATA	Sub-Agency to	Open for business
	Summer/and	Mon., Wed., and Fri
WESTERN PROVINCES—		
ATHABASKA LANDING, ALTA.	H. H. LOWE	Manager
BASSANO, ALTA.	H. C. STRANGE	"

BRANCHES—Continued

BAWLF, ALTA.	M. R. COMPLIN	Manager
BENGOUGH, SASK.	E. GRASETT	Pro Mgr.
BIGGAR, SASK.	A. CLARK	Manager
BLAINE LAKE, SASK.	II. S. J. OATES	"
BRANDON, MAN.	A. MAYBEE	"
BRIERCREST, SASK.	L. ENMAN	Pro Mgr.
BRODERICK, SASK.	G. W. SUTHERLAND	Manager
CALGARY, ALTA.	E. M. SAUNDERS	"
Do. EAST	W. H. MARTIN	Act. Mgr.
Do. MOUNT ROYAL	C. B. F. JONES	Manager
Do. SOUTH	W. D. LAWSON	"
CANORA, SASK.	A. L. JENSEN	"
CARMAN, MAN.	F. J. MACOUN	"
CARMANGAY, ALTA.	W. G. HAMILTON	"
CHAMPION, ALTA.	E. G. OGLIVIE	"
CLARESHOLM, ALTA.	D. CLARKSON	"
COLEMAN, ALTA.	R. B. BUCHANAN	"
CROSSFIELD, ALTA.	S. H. BRAY	"
CUDWORTH, SASK.	II. O. GUDGIN	"
DAUPHIN, MAN.	E. R. JARVIS	"
DELISLE, SASK.	J. O. MACCALLUM	"
DRINKWATER, SASK.	K. W. REIKIE	"
EDAM, SASK.	A. R. GRAHAM	"
EDMONTON, ALTA.	T. M. TURNBULL	"
Do. STRATHCONA	G. W. MARRIOTT	"
ELBOW, SASK.	R. P. MORRISON	"
ELFROS, SASK.	A. W. PENTLAND	"
ELGIN, MAN.	M. St. C. McLEAN	"
ELKHORN, MAN.	R. H. BROTHERHOOD	"
GILBERT PLAINS, MAN.	C. B. NARRAWAY	Act. Mgr.
GLEICHEN, ALTA.	JAMES CAMERON	Manager
GRANDVIEW, MAN.	A. W. CHAMBERS	"
GRANUM, ALTA.	C. A. MERCER	"
GROUARD, ALTA.	H. S. BRUCE	Pro Mgr.
HANNA, ALTA. (P. O. Copeville)	S. H. CURRAN	Manager
HARDISTY, ALTA.	W. R. ALGER	"
HAWARDEN, SASK.	F. S. BEATTIE	"
HERBERT, SASK.	R. N. SHAW	"
HIGH RIVER, ALTA.	A. G. VERCHERE	"
HUMBOLDT, SASK.	II. G. MATHEWSON	"
INNISFAIL, ALTA.	WM. HILBORN	"
INNISFREE, ALTA.	F. E. HAWLEY	"
KAMSACK, SASK.	W. J. F. ROSS	"
KERROBERT, SASK.	W. D. ELLIOT	"
KINDERSLEY, SASK.	W. V. GORDON	"
KITSCOTY, ALTA.	W. STUCKEY	Pro Mgr.
LAIRD, SASK.	C. H. ANDERSON	Manager
LAKE SASKATOON, ALTA.	C. CADY	"
LANGHAM, SASK.	A. HAMILTON	Act. Mgr.
LANIGAN, SASK.	W. E. D. FARMER	Manager
LASHBURN, SASK.	A. J. REYNOLDS	"
LE PAS, MAN.	T. S. LEITCH	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LEWVAN, SASK.	T. WINSBY	Pro Mgr.

BRANCHES—Continued

LLOYDMINSTER, SASK.	H. B. HAINES	Manager
LOUGHEED, ALTA.	R. W. WINFIELD.	"
MACLEOD, ALTA.	A. H. ALLEN.	"
MARCELIN, SASK.	J. B. ROBINSON	"
MEDICINE HAT, ALTA.	W. G. LYNCH	"
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. W. WHITE	"
MILESTONE, SASK.	W. TASTIE	"
MILK RIVER, ALTA.	R. H. WILSON	Pro. Mgr.
MIRROR, ALTA.	N. H. G. RUTHVEN	Manager
MONARCH, ALTA.	L. CUTHBERT	Act. Mgr.
MOOSEJAW, SASK.	H. M. STEWART	Manager
MOOSOMIN, SASK.	D. I. FORBES	"
MORSE, SASK.	F. H. ADAMSON	"
NANTON, ALTA.	R. MORRIS SAUNDERS	"
NEEPAWA, MAN.	D. H. GORDON	"
NEW DAYTON, ALTA.	M. L. GORDON	"
NOKOMIS, SASK.	A. F. MCCONKEY	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
NUTANA, SASK.	J. MCK. KEY	Act. Mgr.
OLDS, ALTA.	W. C. DUNCAN	Manager
OUTLOOK, SASK.	J. A. SMITH	"
PINCHER CREEK, ALTA.	L. F. CROSS	"
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	F. W. WEST	"
RADISSON, SASK.	H. V. KERR	"
RADVILLE, SASK.	C. PADLEY	"
RED DEER, ALTA.	W. L. GIBSON	"
REGINA, SASK.	A. W. RIDOUT	"
RIVERS, MAN.	B. L. BROWN	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
Do. WEST SIDE	W. P. REYNOLDS	Act. Mgr.
SHELLBROOK, SASK.	R. C. HAYWARD	"
STAVELY, ALTA.	R. ROBERTS	"
STONY PLAIN, ALTA.	C. LOMER MILES	Manager
STRATHMORE, ALTA.	G. H. WINSTANLEY	"
SWAN RIVER, MAN.	W. J. SAVAGE	"
SWIFT CURRENT, SASK.	GEO. E. EWING	"
TABER, ALTA.	A. H. MUNROE	Pro Mgr.
TILLEY, ALTA.	E. W. BASSETT	Manager
TRANSCONA, MAN.	H. L. WETHEY	"
TREHERNE, MAN.	C. S. FREEMAN	"
TUGASKE, SASK.	J. H. S. GORDON	"
VEGREVILLE, ALTA.	A. F. TURNER	"
VERMILION, ALTA.	F. C. WHITEHOUSE	"
VIRDEN, MAN.	W. C. HOPKINS	"
VONDA, SASK.	A. J. MAYNARD	"
VULCAN, ALTA.	F. A. CHAPMAN	"
WADENA, SASK.	A. J. BURNSIDE	"
WARNER, ALTA.	J. H. DENT	"
WATROUS, SASK.	R. P. FINDLAY	"
WATSON, SASK.		

BRANCHES—Continued

WETASKIWIN, ALTA.	H. I. MILLAR	Manager
WEYBURN, SASK.	A. S. SWINFORD	"
WILCOX, SASK.	II. J. WHITE	"
WILLOW BUNCH, SASK.	J. A. PARENT	"
WINNIPEG, MAN.	C. W. ROWLEY	"
Do. ALEXANDER AVE.	C. GORDON	Asst. Mgr.
Do. BLAKE STREET	R. E. N. JONES	Manager
Do. ELMWOOD	A. BUSHBY	Pro Mgr.
Do. FORT ROUGE	F. C. BIGGAR	Manager
Do. NORTH	L. E. GRIFFITH	"
Do. PORTAGE AVE.	C. F. A. GREGORY	"
YELLOWGRASS, SASK.	G. M. PATTERSON	"
YORKTON, SASK.	H. G. HURLBURT	"
YOUNGSTOWN, ALTA.	II. L. EDMONDS	"
	D. THOMSON	Pro Mgr.

ONTARIO—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	II. W. FITTON	"
BROCKVILLE	W. H. COLLINS	"
CAYUGA	C. D. NEVILL	"
CHATHAM	D. H. TOLMIE	Act. Mgr.
COBALT	S. H. I. GAN	Manager
COLLINGWOOD	H. C. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	G. L. WAUGH	"
DRESDEN	R. H. EDMONDS	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	G. L. WAUGH	"
FOREST	G. E. CLARKE	"
FORT FRANCES	B. P. ALLEY	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	G. WILLIAMS	"
GOWGANDA	A. Y. SNIDER	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
INGERSOLL	W. C. JOHNSTON	"
KINGSTON	P. C. STEVENSON	"
LINDSAY	H. A. HOLMES	"
LONDON	JEFFERY HALE	"
NIAGARA FALLS	C. BALLARD	"
ORANGEVILLE	R. H. NEILSON	"
OTTAWA	C. CAMBIE	"
Do. BANK STREET	C. R. ARMSTRONG	"
PARIS	D. H. DOWNIE	"
PARKHILL	T. L. ROGERS	"
PARRY SOUND	J. WALTON	"

BRANCHES—Continued

PETERBORO	W. H. DUNSFORD	Manager
PORT ARTHUR	A. W. ROBERTS	"
PORT COLBORNE	W. BULLOCK	"
PORT McNICOLL	J. P. TAILLON	Pro Mgr.
PORT PERRY	J. McE. MURRAY	Manager
PORT STANLEY	H. E. TYLOR	"
RAINY RIVER	H. W. GRAHAM	"
ST. CATHARINES	R. G. W. CONOLLY	"
ST. THOMAS	H. E. TYLOR	"
SARNIA	J. L. BUCHAN	"
SAULT STE. MARIE	} A. D. McLEAN	"
Do. WEST END		"
SEAFORTH	W. C. T. MORSON	"
SIMCOE	W. C. J. KING	"
SMITHS FALLS	R. M. WATSON	"
SOUTH PORCUPINE	W. G. WHITESIDE	"
STRATFORD	R. T. MUSSEN	"
STRATHKOY	L. H. DAMPIER	"
SUDBURY	D. DAVIES	"
THIEDFORD	J. FULLER	"
TILLSONBURG	W. H. GREEN	"
TORONTO	} D. A. CAMERON	"
Do. BLOOR AND DUFFERIN		E. P. GOWER
Do. BLOOR AND YONGE	A. S. HOUSTON	Manager
Do. COLLEGE & DOVERCOURT	JAMES BRYDON	"
Do. DANFORTH & BROADVIEW	E. C. PRINGLE	"
Do. EARLSCOURT	W. C. JAMES	"
Do. GERRARD AND PAPE	C. E. JOHNSON	"
Do. MARKET	N. ST. B. YOUNG	"
Do. PARKDALE	T. A. CHISHOLM	"
Do. PARLIAMENT STREET	W. A. COOKE	"
Do. QUEEN AND BATHURST	A. H. CREASE	"
Do. QUEEN EAST	E. M. PLAYTER	"
Do. SPADINA AND COLLEGE	P. P. JOHNSTON	"
Do. WEST TORONTO	H. F. D. SEWELL	"
Do. YONGE AND COLLEGE	J. B. McCUAIG	"
Do. YONGE AND QUEEN	G. C. T. PEMBERTON	"
WALKERTON	H. C. RAE	"
WALKERVILLE	H. M. LAY	"
WATERLOO	H. B. PARSONS	"
WIARTON	F. W. DEMILLE	"
WINDSOR	G. A. HOLLAND	"
WINGHAM	A. E. TAYLER	"
WOODSTOCK	E. B. WALKER	"
	F. CROSSLEY	"
QUEBEC—		
ACTON VALE	E. R. TANNER	"
AYER'S CLIFF	F. A. JOHNSTON	"
BEDFORD	A. S. MCCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	A. M. BRODEUR	"
BISHOP'S CROSSING	D. H. PARMELEE	"

BRANCHES—Continued

BLACK LAKE	J. R. BOIVIN	Manager
COATICOOK	L. M. THOMAS	"
COOKSHIRE	W. E. LEARNED	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
DUNHAM	H. F. WILLIAMS	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	C. W. HAWLKY	"
FARNHAM	G. C. BORIGHT	"
FRASERVILLE	A. GUAY	"
FRELIGHSBURC	F. DUTHIE	"
GRANBY	A. C. SMITH	"
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	N. H. SLACK	"
HUNTINGDON	C. V. THOMAS	"
JOLIETTE	H. E. GREEN	"
KNOWLTON	J. M. O'HALLORAN	"
LENNOXVILLE	H. A. C. SCARTH	"
MAGOG	A. W. WATSON	"
MANSONVILLE	H. H. HYLAND	"
MARBLETON	H. E. TEMPLE	"
MARIEVILLE	A. J. CHOQUETTE	"
MEGANTIC	G. M. THOMPSON	"
MONTREAL	{ H. B. WALKER W. LEGGAT	Asst. Mgr.
Do. CRESCENT AND ST. CATHER- INE	M. A. MACFARLANE	Manager
Do. MAISONNEUVE	G. L. DOAK	"
Do. PRINCE ARTHUR AND PARK AVENUE	J. B. BEACH	"
Do. ST. CATHERINE & CITY HALL	E. L. SLEEPER	"
Do. ST. CATHERINE AND MET- CALFE	D. McLENNAN	"
NICOLET	E. DUMOULIN	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	N. H. SLACK	"
POINTE AUX TREMBLES	S. A. FORBES	"
QUEBEC	A. L. HAMILTON	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	EDNEY STEVENS	"
ST. CHRYSOSTOME	N. H. SLACK	"
STE. ELIZABETH	H. E. GREEN	"
ST. FELIX DE VALOIS	J. C. R. MARCHAND	"
ST. FERDINAND D'HALIFAX	A. E. WARD	"
ST. GABRIEL DE BRANDON	P. L. McCABE	"
ST. GEORGE, BEAUCE	C. A. TUCKER	Act. Mgr.
ST. HYACINTHE	J. LAFRAMBOISE	Manager
ST. JOINS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	A. L. DESSERT	"
ST. REMI	J. A. ROY	"
SCOTSTOWN	J. I. McCABE	"
SHERBROOKE	E. W. FARWELL	"
Do. WELLINGTON ST.	F. A. BRIGGS	"

BRANCHES—Continue.

SUTTON	R. P. BUZZELL	Manager
THETFORD MINES	L. P. BISHOP	"
THREE RIVERS	E. W. MORGAN	"
VALCOURT	L. P. BOURGOING	"
WATERLOO	W. E. MOREHOUSE	"
WATERVILLE	J. T. THOMAS	"
WEEDON	H. E. TEMPLE	"
WEST SHEFFORD	F. E. KERRIDGE	"
WINDSOR MILLS	K. G. NOURSE	"

SUB-AGENCIES

	Sub-Agency to	Open for Business
ASBESTOS	Danville	Tues. and Fri.
BELOEIL STATION	Beloell	Daily, 9 to 12, except Sat.
BIC	Rimouski	Daily
BROME	Knowlton	Tues. and Fri.
BROMPTONVILLE	Sherbrooke	Mon., Wed. and Fri.
CHAMBLY BASIN	Marieville	Mon., Wed. and Fri.
CLARENCEVILLE	St. Johns	Friday
DIXVILLE	Coaticook	Friday
EAST HATLEY	Ayer's Cliff	Tues., 10 to 12.
FOSTER	Knowlton	Mon. and Thurs.
HENRYVILLE	St. Johns	Tuesday
IBERVILLE	St. Johns	Daily
LACOLLE	St. Johns	Wednesday
LAWRENCEVILLE	Eastman	Tues., Thurs. and Sat., 12 to 2.30
PHILIPSBURG	Bedford	Mon. and Thurs., 2 to 4
ROXTON FALLS	Acton Vale	Mon., Wed. and Fri.
ST. ARMAND STATION	Bedford	Mon. and Thurs., 10 to 12
ST. PHILIPPE DE LAPRAIRIE	St. Johns	Monday
ST. SEBASTIEN	St. Johns	Tuesday
SHERBROOKE (Uppertown)	Sherbrooke	Daily
STANBRIDGE EAST	Bedford	Daily
STANSTEAD	Rock Island	Daily
SWEETSBURG	Cowansville	Daily, 10 to 12
THETFORD MINES WEST	Thetford Mines	Daily

MARITIME PROVINCES—

ALBERTON, P. E. I.	W. C. LAWSON	Manager
AMHERST, N.S.	R. C. MACPHERSON	"
ANTIGONISH, N.S.	W. H. HARRISON	"
BARRINGTON, N.S.	F. W. HOMER	"
BRIDGEWATER, N.S.	T. W. MAGEE	"
CAMPBELLTON, N. B.	E. B. FAIRBANKS	"
CHARLOTTETOWN, P. E. I.	J. H. MCQUAID	"
FREDERICTON, N. B.	G. W. HARRISON	"
HALIFAX, N. S.	D. MACGILLIVRAY	"
MIDDLETON, N. S.	J. R. HARRISON	"
MONCTON, N. B.	W. H. LUGSDIN	"
MONTAGUE, P. E. I.	L. H. COFFIN	"

BRANCHES—Continued

NEW GLASGOW, N. S.	B. DEVEBER	Manager
PARRSBORO, N. S.	R. M. MCCAUL	"
ST. JOHN, N. B.	C. W. HALLAMORE	"
SHELBURNE, N. S.	C. N. ROOP.	"
SOURIS, P. E. I.	C. F. WORRELL	"
SPRINGHILL, N. S.	G. SHEARER	"
SUMMERSIDE, P. E. I.	C. HENSLEY	"
SYDNEY, N. S.	E. B. IRELAND	"
TRURO, N. S.	C. W. MONTGOMERY	"
WINDSOR, N. S.	J. A. RUSSELL.	"

NEWFOUNDLAND—

ST. JOHN'S	F. E. DENCH	"
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UNITED STATES—

NEW YORK, N. Y.	{ Wm. Gray }	Agents
PORTLAND, ORE.	{ H. P. SCHELL }	
SAN FRANCISCO, CAL.	F. C. MALPAS	Manager
SEATTLE, WASH.	G. W. B. HEATHCOTE.	"
	G. V. HOLT	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.		
H. V. F. JONES		Manager
A. R. PHIPPS		Asst. Mgr.

MEXICO—

MEXICO, Avenida San Francisco No. 50		
J. P. BELL		Manager
D. MUIRHEAD		Asst. Mgr.

BANKERS AND CHIEF CORRESPONDENTS

- LONDON BANKERS—**
Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and
Smiths Bank, Ltd.; London and South Western Bank, Ltd.
- ENGLAND—**
Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District
Banking Co., Ltd.
- SCOTLAND—**
Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union
Bank of Scotland, Ltd.
- IRELAND—**
Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.; Belfast Banking
Co., Ltd.
- UNITED STATES—**
NEW YORK—American Exchange National Bank; Chase National Bank.
ALBANY—New York State National Bank.
BALTIMORE—Citizens National Bank.
BOSTON—National Shawmut Bank; Second National Bank; First National Bank.
BUFFALO—Citizens Bank of Buffalo; Manufacturers and Traders National Bank.
CHICAGO—First National Bank; National City Bank; Northern Trust Company.
CLEVELAND—First National Bank.
DENVER—Denver National Bank; Colorado National Bank.
DETROIT—Peoples-State Bank; First National Bank.
LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.
MILWAUKEE—Wisconsin National Bank.
MINNEAPOLIS—Northwestern National Bank; First National Bank.
NEW ORLEANS—Commercial National Bank.
PHILADELPHIA—Girard National Bank; Franklin National Bank.
PITTSBURG—Mellon National Bank.
ST. LOUIS—Mechanics-American National Bank.
ST. PAUL—National German American Bank.
SALT LAKE CITY—Deseret National Bank.
SPOKANE—Traders National Bank.
TACOMA—Bank of California National Association; National Bank of Commerce.
- AUSTRIA—**
Anglo-Austrian Bank.
- BELGIUM—**
J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.
- DENMARK—**
Den Danske Landmandsbank, Copenhagen.
- FRANCE—**
Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.
- GERMANY—**
Deutsche Bank; Direction der Disconto-Gesellschaft.
- HOLLAND—**
Twentsche Bankvereniging, Amsterdam; Disconto Maatschappij, Rotterdam.
- ITALY—**
Banca Commerciale Italiana.
- NORWAY—**
Centralbanken for Norge, Christiania.
- SWITZERLAND—**
Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.
- INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—**
Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking
Corporation.
- SOUTH AFRICA—**
Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.
- AUSTRALIA AND NEW ZEALAND—**
Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia,
Ltd.; English Scottish and Australian Bank, Ltd.
- HAWAIIAN ISLANDS—**
First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.
- SOUTH AMERICA—**
British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-
South American Bank, Ltd.
- WEST INDIES—**
Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.
- BERMUDA—**
Bank of Bermuda, Ltd., Hamilton.

GENERAL STATEMENT

30TH NOVEMBER, 1912

LIABILITIES

Notes of the Bank in circulation.....	\$ 16,422,864 68
Deposits not bearing interest.....	\$ 58,586,813 55
Deposits bearing interest, including interest accrued to date.....	139,030,648 45
	197,617,462 00
Balances due to other Banks in Canada.....	885,514 94
Balances due to other Banks in foreign countries....	2,842,439 50
	\$217,768,281 12
Dividends unpaid.....	6,429 74
Dividend No. 103 and bonus, payable 1st December...	525,000 00
Capital paid up.....	\$ 15,000,000 00
Rest.....	12,500,000 00
Balance of Profit and Loss Account carried forward.....	771,578 88
	28,271,578 88
	\$ 246,571,289 74

ASSETS

Coin and Bullion.....	\$ 11,273,485 39
Dominion Notes.....	16,181,480 25
	27,454,965 64
Balances due by Agents in the United Kingdom.....	\$ 2,082,538 49
Balances due by other Banks in foreign countries.....	4,718,352 03
Balances due by other Banks in Canada.....	28,645 40
Notes of and Cheques on other Banks	10,092,360 90
	16,921,896 82
Call and Short Loans in Canada.....	8,779,459 47
Call and Short Loans in the United States.....	9,003,590 37
Government Bonds, Municipal and other Securities...	14,362,116 82
Deposit with the Dominion Government for security of Note circulation.....	707,000 00
	\$ 77,229,029 12
Other Current Loans and Discounts.....	163,753,559 28
Overdue Debts (loss fully provided for).....	487,738 94
Real Estate (other than Bank Premises).....	208,372 77
Mortgages.....	404,096 95
Bank Premises (including the balance unsold of certain premises acquired from the Eastern Townships Bank).....	4,423,993 07
Other Assets.....	64,499 61
	\$246,571,289 74

ALEXANDER LAIRD
General Manager

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ROCK ISLAND, QUE

Vertical text on the right edge of the page, likely bleed-through from the reverse side, including the words "EASTERN TOWNSHIPS BANK" and "ROCK ISLAND, QUE".



THE CANADIAN BANK OF COMMERCE
REPORT OF THE PROCEEDINGS
OF
THE ANNUAL MEETING OF SHAREHOLDERS
TUESDAY, 14TH JANUARY, 1913

The forty-sixth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 14th January, 1913, at 12 o'clock.

Among those present were:—

J. W. Mitchell, J. K. Macdonald, W. R. Houston,
H. W. Mickle, W. H. Leishman, G. A. Somerville,
C. A. McGaw, A. J. Helliwell, Rev. B. Taer, K. J. Dunstan,
Albert Nordheimer, E. D. Howe, J. H. McKinnon,
Angus Sinclair, J. H. Plummer, Robt. S. Gourlay,
Z. A. Lash, K.C., Thomas Gilmour, James Hedley, H. Close,
J. C. Moore, W. H. Lockhart Gordon, Fred. W. Field,
Dr. T. Armstrong, Sir Donald Mann, A. E. Ames,
C. N. Candee, L. J. Cosgrave, E. B. Ryckman, K.C.,
George D. Perry, John Westren, R. C. Jennings,
W. E. Rundle, Percival Molson, J. C. Breckenridge,
Major J. F. Michie, F. H. Deacon, William Crocker,
J. O. Thorn, William Davidson, K.C., L. H. Baldwin,
W. S. Hodgens, H. C. Cox, H. S. Morrison, J. A. Morton,
John Appleton, H. Beatty, A. A. Bowman, J. A. Fraser,
W. H. Cross, W. Prendergast, R. Cassels, T. A. Rowan,
Sir Edmund Walker, C.V.O., R. C. Carlyle, E. R. Wood,
W. D. Lummis, C. Hunter, G. R. Warwick, A. J. Mitchell,
Sir Lyman Melvin Jones, Sir John M. Gibson, K.C.M.G.,
G. S. May, A. K. Brodie, A. Stewart, J. Short McMaster,
J. W. Flavelle, H. A. Hawkins, H. H. Fudger,
F. D. Smith, C. M. Gripton, St. Catharines, J. O. Ireland,

Sir John Willison, A. T. Reid, Major H. C. Bickford, T. Warren, H. M. Mowat, K.C., Dr. Somerville, A. Buntin, William Craig, T. Plummer, F. W. Baillie, F. P. Wood, R. M. White, F. H. Gooch, Major Keefer, S. R. Wickett, Dr. J. H. Carrique, A. E. Ferrie, Thomas West, Edwin Roach, J. L. Watt, M. Sparkhall, W. H. Grant, Walter Harland Smith, H. Vigeon, W. J. Savage, Milestone; C. Cambie, Ottawa; F. D. Spaulding, Burlington, Vt.; F. M. Gibson, Revelstoke, B.C.; W. V. Gordon, Winnipeg; C. W. Montgomery, Truro; A. H. Allen, Macleod; A. C. Smith, Granby; F. B. Francis, Winnipeg; G. M. Thompson, Megantic; E. E. Henderson, Winnipeg; J. H. McQuaid, Charlottetown; C. F. Worrell, Souris; H. M. Lay, Walkerton; Wm. McAdie, Oshawa; R. B. Buchanan, Coleman; H. A. Holmes, Lindsay; W. Spier, Sherbrooke; H. B. Walker, Montreal; J. Laframboise, St. Hyacinthe; K. J. Fuller, Montreal; D. B. Dewar, Hamilton; W. H. Lugsdin, Orangeville; W. C. Johnston, Ingersoll; F. C. Malpas, Portland, Ore.; F. L. Crawford, Victoria; L. M. de Gex, Ladysmith; M. D. Hamilton, Vancouver; C. S. Freeman, Tugaske; W. E. Morehouse, Waterloo, P.Q.; J. Hale, London; C. H. Niles, Grand Forks; W. Cloutier, Rimouski; J. A. Russell, Windsor, N.S.; E. R. Jarvis, Dauphin; Robert Stuart, Chicago; J. MacLoughlin, St. Johns, Que.; G. W. Allan, Winnipeg; William McMaster, Montreal; W. A. Murray, Montreal; Hon. W. C. Edwards, Ottawa; G. G. Foster, K.C., Montreal; A. Kingman, Montreal; M. H. Macleod, Winnipeg; F. J. D. Smith, Newtonbrook; Mrs. F. J. D. Smith, Newtonbrook; Jno. Leggat, Hamilton; Gardner Stevens, Waterloo, Que.; R. Gill, Ottawa; William Farwell, D.C.L., Sherbrooke.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. Murray Alexander and A. J. Glazebrook were appointed scrutineers.

THE CANADIAN BANK OF COMMERCE

The President called upon the Secretary to read the Annual Report of the Directors, as follows:-

REPORT

The Directors beg to present to the Shareholders the forty-sixth Annual Report, covering the year ending 30th November, 1912, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 203,394 89
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	2,811,806 42
Transferred from Rest Account of Eastern Townships Bank.....	2,400,000 00
Premium on New Stock.....	242,180 00
	<hr/>
	\$ 5,657,381 31

This has been appropriated as follows:

Dividends Nos. 100, 101, 102 and 103, at ten per cent. per annum.....	\$ 1,418,622 43
Bonus of one per cent., payable 1st December, 1912.....	150,000 00
Written off Bank Premises.....	500,000 00
Transferred to Pension Fund (annual contribution).....	75,000 00
Transferred to Rest Account.....	\$ 2,500,000 00
Transferred to Rest Account, premium on new stock.....	242,180 00
	<hr/>
Balance carried forward.....	2,742,180 00
	771,578 88
	<hr/>
	\$ 5,657,381 31

All the assets of the Bank have been as usual carefully revalued and ample provision has been made for all bad and doubtful debts.

In accordance with an agreement entered into in December, 1911, this Bank took over on 1st March last the business of the Eastern Townships Bank, with headquarters at Sherbrooke, Que., and ninety-nine branches and sub-agencies, chiefly situated in the Eastern Townships District of the Province of Quebec. In addition to fifty-two new branches and thirty-two sub-agencies in the Province of Quebec, the Bank thus acquired new offices at Coleman and Taber, Alberta; Grand Forks, Keremeos, Midway, Naramata, Phoenix, Summerland and Vancouver (two offices), British Columbia; and Winnipeg, Manitoba. The business of the Eastern Townships Bank branches at Lethbridge, Princeton, Quebec and Victoria, was at once transferred to our own offices, and later in the year the business of their principal offices in Montreal and Winnipeg was also consolidated with our branches in those cities, the change at Winnipeg taking place as soon after the opening of our new building as it could conveniently be effected. The nine months' experience which we have had with the new business has given us every reason to feel satisfied with our purchase.

There were issued to the shareholders of the Eastern Townships Bank in exchange for their stock in that institution 60,000 shares of new stock of this Bank, having a par value of \$3,000,000. This has increased the paid-up capital stock of the Bank to \$15,000,000. The by-law passed at the last annual general meeting increasing the authorized capital stock to \$25,000,000 received the approval of the Treasury Board on 26th February, 1912.

In addition to the offices acquired from the Eastern Townships Bank, the Bank has opened during the year the following branches: in British Columbia—Rock Creek, North Vancouver, Powell Street (Vancouver) and Oak

Bay Avenue (Victoria); in Alberta—Athabasca Landing, Hanna, Tilley, Vulcan and Youngstown; in Saskatchewan—Blaine Lake, Laird and Lewvan; in Ontario—Brockville, Cornwall, Ingersoll, Niagara Falls, Port Colborne, Port Stanley, West End (Sault Ste. Marie), Smith's Falls, St. Thomas, Sudbury, Tillsonburg, Danforth and Broadview (Toronto) and Earls court (Toronto); in Quebec—Fraser-ville, Maisonneuve (Montreal), Prince Arthur and Park (Montreal), Nicolet and Three Rivers; in New Brunswick—Fredericton; and in Newfoundland—St. John's. The sub-agencies at Keremeos, B.C., East Angus, Howick, St. Chrysostome, Ste. Elizabeth and Weedon, Quebec, have been equipped as branches. The branches at Bounty, Sask., and Stewart, B.C., and the sub-agencies at Midway, B.C., and St. Constant, Que., have been closed. Since the close of the year branches have been opened at Courtenay and Pandora and Cook (Victoria, B.C.), Port McNicoll, Ont., Campbellton and Moncton, N.B.; the Dunham, Que., sub-agency has been equipped as a branch, and the Upton, Que., sub-agency closed.

In accordance with our usual practice the various branches and agencies of the Bank in Canada, the United States, Great Britain and Mexico, and the Departments of the Head Office have been thoroughly inspected during the year.

The Directors again desire to record their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER

President

TORONTO, 14th January, 1913

Before moving the adoption of the Report, the President called on the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS

The General Manager then said:

We have closed another year with a record of uninterrupted prosperity, and we take pleasure in submitting a report which will compare favourably with any previous statement in the Bank's history.

In reviewing the business of the early part of the year we have to note a steady development. Great industrial activity, accompanied by large orders for manufactured goods of all kinds, gave an impetus to business which at once arrested our attention and produced a feeling of concern lest we should have difficulty in meeting the requirements of our customers. There was apparently a sound and healthy basis for this activity, and the money market was for a time comparatively easy, but we had to look forward to the harvesting of a large crop and were naturally desirous of doing our full share in moving it. The necessity for a close supervision of credits was never so obvious, and this period, usually one of dull and inactive business, proved to be a time for the exercise of great caution.

We had expected the gradual return of better conditions in the great financial centres which, by permitting the marketing of a large amount of first-class securities, would enlarge the supply of available capital, but untoward events in Continental Europe and the uncertainty surrounding an exciting Presidential campaign in the United States made this impossible. The latter half of the year was therefore a time of great stringency and consequent high rates for money, and it became increasingly difficult to satisfy legitimate demands, notwithstanding the inherent soundness of business generally.

With the amalgamation of the Eastern Townships Bank our capital was increased to \$15,000,000. The average capital employed during the year was \$14,210,437, and the net earnings on this amount were \$2,811,806.42, an increase of \$506,397 over last year, being at the rate of 19.78%. This result was attained after making the usual provision for all bad and doubtful debts, and a thorough revaluation of the entire assets of the Bank.

We are pleased to report that an examination of the accounts of the Eastern Townships Bank leaves us no reason to doubt the value of our purchase, and we record our appreciation of the zeal and hearty co-operation of our associates in the difficult task incident to the adjustment of so important an acquisition.

We disbursed in dividends \$1,568,622.43, being at the rate of 10% per annum, and an extra bonus dividend of 1% for the year. The policy of paying bonus dividends until such time as we are confident of being able to maintain a higher rate would seem to be a wise precaution, in view of the extraordinary development of our business and the desirability of making ample provision for any contingency likely to arise.

We had expressed the hope that our building programme could be curtailed, but the acquisition of the large territory covered by our eastern branches, and the continued growth in the west, necessitated the opening of a considerable number of branches requiring the building and remodelling of offices on an extensive scale. We have also a serious problem to face in the changes absolutely essential for the proper accommodation of Head Office and Toronto branch, our present premises having been for several years quite inadequate. Bank Premises account has been increased to \$4,423,993.07, which includes premises acquired from the Eastern Townships Bank, and we have written off \$500,000, keeping the account at approximately 50% of the value of our properties.

The increase of the staff, now numbering 3,000, required the appropriation of \$75,000 for the Pension Fund. We have added \$2,742,180 to Rest account and carry forward a balance of \$771,578.88 in Profit and Loss. The Bank's Circulation account showed important fluctuations during the year, the minimum reached in January being \$10,403,322 and the maximum in November \$16,660,709. We had occasion to take advantage of the emergency provisions of the Bank Act amendment of 1908 early in October, and we closed our statement with a circulation of \$1,422,864 in excess of the amount of our paid-up capital.

If the Bank Act introduced at this session of Parliament should be passed in its present form and a "Central Gold Reserve" established, there will be no apprehension of a scarcity of currency at a time when the emergency provisions are not operative; for with the deposit of gold or Dominion notes in the custody of trustees the banks will have the privilege of issuing their own notes to the full amount thus deposited. This will undoubtedly be a very important step towards ensuring that the business of the country should not be embarrassed through lack of currency. It is evident, however, that there will be no profit to the banks in availing themselves of the suggested privilege, and as we have reached the time when the need of currency is beyond the present limits of the banks' power to supply, it is desirable that in addition to the adventitious aids so wisely provided in the new Bank Act, the banks should anticipate an increasing demand for bank-note currency by the issue of additional capital.

During the year our deposits increased \$51,651,727. There was a considerable accession of special amounts which will be withdrawn in due course, and we received \$19,111,119 as a result of the Eastern Townships Bank amalgamation. The ordinary deposits show a very handsome increase. Current loans and discounts increased

\$52,753,947 and call and short loans \$2,757,730, compared with last report. Investments in Government bonds, municipal and other securities were increased by \$2,821,024 and cash resources by \$1,625,271.

You will notice from the report of the Board of Directors the large increase in the number of our branches. We fully realize our responsibility in undertaking to control so many units in a great bank, and the importance of arranging for a complete organization of competent and loyal associates, with geographical divisions which thoroughly cover the field of our operations. We endeavour as far as possible to clothe our Superintendents and Managers with authority for a proper discharge of the duties of management, and believe we have succeeded in perfecting a system which meets every reasonable requirement. The distribution of branches at the close of the year was as follows:—

Alberta.....	49
British Columbia.....	42
Manitoba.....	23
New Brunswick.....	2
Nova Scotia.....	13
Ontario.....	79
Prince Edward Island.....	5
Quebec.....	91
Saskatchewan.....	53
Yukon.....	2
Total in Canada.....	359
Newfoundland.....	1
London, Eng.....	1
United States.....	4
Mexico.....	1
Total number of Branches.....	366

The number of the Bank's shareholders has increased during the year from 4142 to 5656, the increase being principally due to the taking over of the Eastern Townships Bank. The stock of the Bank is now quite widely

distributed, not only in Canada but abroad, as will be seen from the following figures compiled as at the close of our year:

	No. of Shareholders	Amount held
Ontario.....	1,388	\$4,087,500
Quebec.....	1,127	3,213,650
Maritime Provinces.....	702	1,544,450
Western Provinces.....	118	242,950
Great Britain.....	1,569	3,204,400
United States.....	669	2,549,950
Other countries.....	83	157,100
	<u>5,656</u>	<u>\$15,000,000</u>

We have referred to the provisions of the new Bank Act for increased note circulation, and would like to advert to the proposal that is now being considered, of creating a system of independent audit to supplement what has always been regarded as complete and satisfactory in every well-organized bank. There can be no question as to the importance of a strict supervision of all matters pertaining to our banks, and we should welcome any plan which makes for more efficient management and a proper recognition of the great responsibilities we are called upon to assume. We are disposed to believe that with the co-operation of the Canadian Bankers' Association working through the various Bank Clearing Houses effective service could be rendered in the correction of abuses and the perfecting of methods for the encouragement of sound banking. We have possibly not taken advantage of our opportunities in this respect.

The Bank Act will probably sanction, under proper liens and assignments, the loaning of money to farmers and ranchers on the security of grain and cattle and other live stock in their possession. This will undoubtedly be a great advantage in many instances, and will at least legalize a practice already

quite common, and probably tend to prevent hasty marketing of produce. As a matter of fact large advances are made to farmers on the security of notes, but actually upon what they possess in the way of products of agriculture and their reputation for honesty and ability, always an essential consideration when lending money. We have no hesitation in stating that our farmer customers are, almost without exception, satisfactory borrowers. Our aggregate advances to farmers run into large figures, estimated at \$15,000,000 for the western provinces.

Despite the money stringency during the closing months of 1912, and the fear that we may feel the pinch for some time to come, there are off-setting influences at work. The wonderful revival of trade in every branch, the bountiful harvests throughout the land and the consequent enormous increases in traffic on the railways, afford excellent grounds for the assumption that the unusual prosperity we are enjoying is on a sound basis. There is therefore some warrant for the belief that with reasonable care and judgment in measuring our commitments there will be a continuance of prosperous conditions for the coming year. We must of course reckon with the adverse circumstances prevailing abroad, for in conducting a world-wide business we are sensitive to these influences. We are hopeful that with the settlement of present difficulties in Europe and the return of trade to normal channels, any apprehension for the immediate future will be dispelled. We are likely to experience on the part of investors a very decided reluctance to pay fancy prices when we come to dispose of the securities now awaiting a favourable market, and we should be prepared for a revaluation which will probably mean a higher yield for the purchaser.

In moving the adoption of the Report the President said :—

PRESIDENT'S ADDRESS

The area of Canada in which the Bank is directly interested has become so large that we have decided to present the information collected regarding its industrial position in a new form. We shall hereafter include in the statement made to our shareholders reports from those senior officers of the Bank who have charge under the General Manager of the various geographical divisions of the Bank and who are better qualified than we are to set forth the facts regarding such districts.

The year has been one marked, even in comparison with recent years of large expansion, by a continued increase in immigration, in building operations of all kinds, especially in connection with railroads, in foreign and domestic trade, in bank deposits, indeed, in almost everything connected with the prosperity of a country. Our object in stating what is so well known is that we may consider the causes of our rapid growth and whether in the methods of our expansion there is anything which needs to be checked. Our financial requirements are mainly determined by the volume of immigration. It is because of this that we must build so largely, and this also is the main cause of the excess of our imports over our exports. The immigration for the calendar year, December being estimated, was 394,784, an increase over the record year of 1911 of 13 per cent. The immigrants came to us from forty-one countries and were divided as follows: British, 144,830; American, 140,456; from other countries, 109,498. In order to transport them to their inland destination 800 passenger trains of ten cars each, averaging 50 persons to each car, would be required. In the last two years we have added nearly 10 new people to each 100 people already in Canada taken as a whole, but as over half of these immigrants have gone to the western provinces, the proportion of

newcomers to these provinces in the same period has been about 20 to each 100. The population of Saskatchewan has increased five-fold in ten years. Clearly this is proportionately the largest immigration problem ever handled by any country. In order to house, settle, and arrange transportation for these people, we must borrow very largely, and as long as such streams of newcomers continue we are likely to be borrowers on a large scale, at least for many decades to come. In the excess of imports over exports and in the volume of our securities sold abroad in order to settle that difference, one can clearly see the strain put upon Canada by this enormous accession of new people. The total of our foreign trade for the fiscal year ending March, 1912, was \$874,538,000. Our imports were \$559,220,000, and our exports \$315,317,000, the balance against us being \$243,903,000, and the figures for the half year ending September, 1912, show imports on an even larger scale. The imports of iron and steel in various forms from raw material to highly complicated manufactures amount in value to \$95,000,000. Almost all these articles are already being made in Canada but not in sufficient quantities, or not of high enough quality, to satisfy our requirements. It is to the last degree desirable that such articles should be made at home, and to the extent of say \$50,000,000 or \$60,000,000 they clearly should be. With the exception of motor cars and parts to the extent of \$7,387,000, and a few other items, the whole of this amount may be safely attributed to the erection of new structures or the opening up of new farm lands. It is this large difference between our exports and imports which causes us to send so many securities to the London market, and if it were true that we are offering too many securities it would mean that we are importing too many goods or exporting too little, or both. Doubtless some Canadian securities are offered which should not have been created, and doubtless our imports are unwisely increased to some extent by the extrav-

agance of an unusually prosperous people, but the main cause each year is the same. We need more than ever new mileage of railways, vast quantities of new rolling stock, warehouse and port facilities, municipal expenditures in hundreds of new towns and an enlarged scale of improvements in all the older municipalities, the building of ordinary roads, bridges, etc., in many new areas of settlement, the creation of plants for new industries and the general increase of existing plants throughout all Canada, the erection of private dwellings in greater numbers and of more permanent construction than in the past, and many other forms of betterment which need not be detailed. But while our needs are mainly measured by our immigration, we are apt to forget that it is the investor in our securities who has the power to determine finally the pace of our expansion. For every dollar we wish to fix in permanent improvements somebody should have saved a dollar, and at this extravagant moment the borrowers throughout the world exceed those whose savings take the form of loanable capital. It is for us therefore to consider not so much our needs as the opinion of the investor regarding our securities, and the condition of the world's money market. If we do this we must conclude to restrict our building operations as much as possible for the moment, and we must expect to pay a higher rate of interest for our requirements. Men with business experience before entering upon building operations, large or small, assure themselves that the needed money is available. It is only our municipalities and reckless promoters who incur large obligations before they are sure of the necessary investor in the securities they propose to offer. Many of our towns and cities who have refused to consult the banks find themselves embarrassed as a result, and improvements which may be wise and much needed must be postponed for the moment. The existing securities will doubtless be absorbed in the near future, but at lower

prices than heretofore in order to meet the investors' expectations of a higher return. Our municipalities, however, should seriously consider whether during periods of such rapid expansion the tax rate should not be largely increased. In the days of western expansion in the United States 25 and 30 mills on a fairly high valuation of property were not uncommon rates. Again, should we not pay for local improvements in a far shorter time than we do? The western cities of the United States make their local improvements by the issue of short term securities, the average life of which is usually not more than five years. Such securities often carry six per cent. interest and do not appeal to the same class of investor as do long-term municipal debentures. We can easily see the bad effect on the credit of our municipalities of adding the heavy cost of local improvements, spread over long terms, to the ordinary general debt. Such a system as that followed in the United States would probably not find favor with the sub-division promoter because it would be a powerful check on all speculative real estate schemes. At least a year ago it became generally known that there were many Canadian securities in existence which had not been absorbed by the investor and that real estate speculation was proceeding at too rapid a pace. Undoubtedly the knowledge of these facts has exercised some restraint upon our people. Transactions in inside city properties have probably been larger than ever but the sub-division promoter has not prospered. Direct investments of British capital in agricultural lands to be resold have been made in both the east and the west on a large scale.

In common with the rest of the world we are living in a time of high prices, and the incidence of these prices on those who have fixed incomes or earnings is so heavy as to constitute the greatest economic difficulty we have to face. I shall not attempt to deal fully with a subject which

is being studied by government commissions in many leading countries and which will, let us hope, be referred to an international commission. There are some forces which affect the general trend of prices, others which may cause any particular commodity to go above or below the line of the general trend, and again others which are local and produce such apparent anomalies as higher prices for foodstuffs in cities nearer sources of cheap production as compared with more remote centres of consumption. Without, therefore, discussing the effect of an enlarged and cheapened supply of gold, the enormous increase of credit partly made possible thereby, and the effect of many other forces causing a general upward trend of prices, we may profitably consider some local causes which put the people of Canada at an unnecessary disadvantage. One of the most powerful and inexcusable local causes for the high price of food is the condition of our country roads. It must be clear that if a farmer has to travel ten or twenty miles to a city to sell his produce, every hour of delay to himself and his horses and wagon, every bushel or pound less he is able to carry, every day lost in the length of the life of his horses and wagon, cause just so much increase in the cost of the article he has to sell. To the extent that this needless and cruel loss might, if avoided, partly add to the farmers' profits and partly lessen the cost to the consumer, the state of our roads is little short of a crime. If the bad roads around a city cause the price of food to be much higher than it need be, one of the results is to enable producers hundreds, perhaps thousands, of miles away to enter into competition with the farmer in his own county, because the cost in transit over one mile of bad wagon road will cover the cost over many miles of good railroad. This competition may help the consumer by keeping prices from rising still higher, but it will not bring the price below the point fixed by the extra cost from the bad local roads. It will not do any good for

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those of us who live in well-paved cities to blame the farmers for bad roads. They cannot be expected to build good roads entirely at their own expense, and good roads will not come so long as we wait for anything as unfair as this. It is not that we do not know how to construct good roads. We know fairly well what we should do, but we hesitate to do it. In the excellent report on Highway Improvements in Ontario for 1911 there is a sufficient abstract of the systems adopted by the various countries of the world and by thirty-three states in the United States; of these, that in use in the State of New York seems to be the most complete. Under this system roads are classified as follows:

- (1) State roads built at the entire cost of the state.
- (2) County roads to which the state contributes one-half, the county 35 per cent., and the township 15 per cent. For maintenance the state collects from the townships \$50 per mile per annum, the remainder being contributed by the state.
- (3) Township roads, to which the state contributes one-third of the cost of construction.

Can the people of Canada be made to realize that every man, woman and child suffers from the evil of bad roads whether they use the roads directly or not? Have we not as much intelligence as the citizens of these thirty-three neighbouring states?

Another cause of high prices is the general inefficiency of most kinds of labour. Employment is so easily obtained and the worker is apt to be so lacking in training for the particular calling it falls to his lot to occupy, that for this reason alone three men are often needed to do the work of two. The necessity of buying food for three families instead of two clearly raises the price of food and every non-producer of food in Canada therefore suffers from this inefficiency of labour. Still another evil, tending to high prices and growing rapidly in

these extravagant times, is the waste in the use of food. As seen in a modern hotel or dining car this shocks most of us, but in countless families the waste is nearly as bad proportionately. If three animals are bought where only two are really needed, the price of meat is raised for everybody. I must apologize for repeating facts which are so palpable, but in our desire to blame someone else for the suffering caused by high prices, we often refuse to see local causes which largely contribute to it and which we could at least moderate if we chose.

We have often spoken of the tendencies of modern life which increase the food consumers out of proportion to the food producers, and it is pleasing to see some slight evidence of a return to the land which may help to correct this disproportion, but while the quantity of fruit, vegetables and cereals grown may immediately be increased so as to affect prices, the state of the cattle industry of North America is so serious that some years must pass before we may hope for a return of normal conditions. It looks as if the United States would soon cease to export beef, and unless we at once change our course we may be in a similar condition. We must increase the number of beef cattle, sheep and swine on the land very largely if our annual consumption is to be supplied without depleting the herds. We shall hope the Commission regarding our cattle ranges will produce good results, and that the assurance of high prices for meat for some time to come may induce mixed farming to a degree not yet accomplished. Since 1908, while there has been a small increase in the number of horses in Canada, there has been a serious decline in the number of milch cows, beef cattle, sheep and swine. There should have been a very large increase, and unless every possible effort to arrest the decrease is made, this class of food will grow steadily dearer in price. The falling off is most noticeable in Ontario, while the only important gains are in Saskatchewan and Alberta.

The Clearing House statements again give ample evidence of our rapid growth. The returns of twenty Clearing Houses for 1911 made a total of \$7,391,368,000 while for 1912 the figures were \$9,146,236,000, a gain of 23.74 per cent. Once more we have to record a gain in every Clearing House in Canada.

The building permits of the four chief cities were as follows:

	1911	1912
Montreal.....	\$14,580,000	\$19,642,000
Toronto.....	24,374,000	27,401,000
Winnipeg.....	17,550,000	20,475,000
Vancouver.....	17,652,000	19,388,000

The adoption of the report was then moved by the President, seconded by the Vice-President, and carried unanimously.

The President: The Vice-President will now move a resolution dealing with an increase in the number of Directors.

The Vice-President: According to the by-laws as passed in 1909 the number of Directors was fixed at fourteen. When the purchase of the Eastern Townships Bank was contemplated this number was increased to not exceeding nineteen, and it is now our intention to ask the shareholders to authorize an additional increase to twenty-two. For that purpose I am about to move the adoption of the following by-law:

"Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on Tuesday, the 14th day of January, A.D. 1913, as follows:

"1. That the number of the Board of Directors of The Canadian Bank of Commerce be and it is hereby increased from not exceeding nineteen to twenty-two.

"2. And that for this purpose by-law No. 1, adopted by the shareholders on 12th January, 1909, and amended by them on 9th January, 1912, be and hereby is amended by substituting the word "twenty-two" for the word "nineteen" as the tenth word of the said by-law."

I therefore move, seconded by Mr. Flavelle:

"That the by-law of The Canadian Bank of Commerce increasing the number of Directors, read to the meeting by the Vice-President, be passed by the shareholders and that the same be executed under the corporate seal of the Bank and countersigned by the President and the General Manager."

Mr. Flavelle then seconded the motion, which was duly carried.

The President: I have now to ask you to pass a by-law increasing the amount set apart for the remuneration of the Directors from \$25,000 to \$35,000 per annum. Part of the increase, indeed most of it, is necessary because of the increase in the number of Directors at the time of the taking over of the Eastern Townships Bank. The by-law is as follows:

"Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce, assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jarvis Streets, Toronto, on Tuesday, the 4th day of January A.D. 1913, as follows:

"1. That by-law No. 5, adopted by the shareholders on 12th January 1909 be and it hereby is amended by substituting the word "thirty-five" for the word "twenty-five" as the eighth word of the said by-law."

I will ask Mr. Somervill to move the necessary resolution.

Mr. George Somerville: Mr. Chairman, I beg to move:

"That the by-law of The Canadian Bank of Commerce increasing the amount of the remuneration of the Directors to \$35,000 per annum, which has been read to the meeting, be passed by the shareholders and that the same be executed under the corporate seal of the Bank and countersigned by the President and the General Manager."

This motion really needs no comment. In my opinion a sum of \$35,000 is a very modest one indeed for the oversight of such a large institution as this, which has increased so rapidly during the last year apart altogether from the amalgamation with the Eastern Townships Bank. I am sure that everyone will concur in the increase and heartily support it.

Mr. Henry Beatty then seconded the resolution which was duly carried.

It was then moved by Mr. Alexander Bruce, K.C., seconded by Mr. T. Gilmour:

"That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months."

Mr. Bruce. The statement, Mr. President, which you have submitted to the meeting is of such a character that any words of commendation of the Board are unnecessary. I think that all the shareholders should be remarkably well satisfied with the results which are shown by the work of these gentlemen during the past year.

The President: On behalf of the Directors it gives me much pleasure once more to thank you for this resolution. There is no question as to the importance of the trust committed to us; it is a very heavy one indeed, as you can easily gather from the figures of our statement. As long as our country grows at the present almost appalling rate we shall have our hands full in endeavouring to do our duty by Canada. That, of course, is what we put forth our best

efforts to do. It would be a much easier task if we had two or three years of dull times and the demands of this development upon the Bank were not so great.

Mr. William Davidson: I beg to move, seconded by Mr. W. E. Rundle:

"That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months."

The very satisfactory statement which has been presented suggests the question of how much of this success is attributable to those who perform the minor duties connected with the Bank. It may be impossible to separate or make any comparison between the work of the various departments, but it is quite clear that the results which have been obtained are due to the loyal, faithful and constant observance of all their duties by those who fill the various positions in this Bank throughout the Dominion and in other parts of the world. From my personal experience, which I believe is also the experience of every one who does business with the Bank, I would like to testify to the universal courtesy and intelligence which the officers of the Bank display.

Mr. W. E. Rundle: I have very much pleasure in seconding this resolution. In the statement which has been presented to us the fact is revealed that the assets of this Bank amount in round figures to \$250,000,000. It is said in some quarters that the Bank has assets that are not revealed in the statement, and there is no doubt that the greatest asset which this Bank has is its organization. Any one who has travelled very much over this country and has met the various members of the staff of The Canadian Bank of Commerce, is at once struck with their efficiency and with the loyalty which they display towards this institution. I have very much pleasure in seconding the resolution.

The President: I entirely agree with Mr. Rundle, and I have very often said to the Directors that in the staff we have a most valuable asset that cannot possibly be put into the balance sheet. There is no question but that the efforts which have been for years directed towards perfecting the organization of The Canadian Bank of Commerce have met with great success. I declare the motion carried and will ask Mr. Aird to respond.

Mr. John Aird: Mr. Chairman and Gentlemen: It is very gratifying to me, I assure you, to be asked to speak to this motion to-day, and particularly so in view of the very large increase which has taken place in what we term the Bank's family since the last meeting of the shareholders. As you are aware, we have taken over the business of the Eastern Townships Bank, and, as Mr. Rundle suggests, probably the greatest asset which came to us with that Bank was the five hundred men who were trained in banking almost on the lines of our own system. I thank you very much therefore on behalf of the staff.

The President: I should like Mr. Francis, the Inspector of the Central Western District, to say something in response to this motion.

Mr. F. B. Francis: Mr. Chairman and Gentlemen: It affords me a great deal of pleasure to respond on behalf of the staff of the Central Western District to the vote of thanks which you have just passed. It is gratifying, I can assure you, to receive this expression of your appreciation and I know that I am voicing the sentiment of the staff generally when I say that the consideration shown them by the Shareholders and Directors of the Bank has resulted in developing a spirit of loyalty and pride in the institution, which has contributed very largely to its success.

Mr. G. G. Foster: Mr. President, I move that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until three o'clock this day, the poll to be

closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. William Farwell then seconded the motion, which was duly carried.

The scrutineers subsequently reported that the by-laws had been carried and that the following gentlemen had been elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Z. A. Lash, K.C., LL.D., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., William McMaster, Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph.D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President and Mr. Z. A. Lash, K.C., LL.D., Vice-President.



SHERBROOKE, QUE.



REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1912

THE MARITIME PROVINCES AND NEWFOUNDLAND	} The Halifax Manager
QUEBEC	The Montreal Manager
ONTARIO	{ The Assistant General Manager
MANITOBA, SASKATCHEWAN AND ALBERTA	{ The Superintendent of Central Western Branches
BRITISH COLUMBIA AND YUKON	{ The Superintendent of Pacific Coast Branches
THE UNITED STATES	{ The New York Agent and the Superinten- dent of Pacific Coast Branches
MEXICO	The Mexico Manager
GREAT BRITAIN	The London Manager



REVIEW OF BUSINESS CONDITIONS FOR THE
YEAR 1912

MARITIME PROVINCES AND NEWFOUNDLAND

In the Maritime Provinces during the past few years a new spirit of enterprise has manifested itself and the people are coming to realize that in variety and permanency of natural resources, and in facilities for various branches of manufacturing, they occupy a position of growing importance in the industrial life of the Dominion. One factor in bringing this about is the opening up of large undeveloped districts in Nova Scotia and New Brunswick by new railways. Prince Edward Island also will gain from the improvement of the branch of the Intercolonial Railway operating there, following upon the establishment of the car ferry that in the near future is to connect the Island with the mainland. In addition to the opening of new railway branch lines and the improvement of the roads now in operation, the Dominion Government has undertaken to build railway terminals and docks at St. John and Halifax that will take care of the extensive freight and passenger traffic which is destined to pass in and out of the country at those ports. These improved transportation facilities and the expenditure of large sums of public money will attract the attention of outside investors to the valuable farming and lumbering resources and the industrial opportunities possessed by these provinces.

Prince Edward Island has savings deposits of about \$10,000,000, and is, per capita, probably the richest rural community in the Dominion. To its prosperous industries of agriculture and fishing has been added in late years black fox ranching, which has reached important proportions and may be said to have outgrown the experimental stage. The present stock of breeding animals, numbering about 400, four-fifths of the total

number in captivity in the world, is said to be valued at \$2,800,000, and the estimated value of the young foxes this year is \$1,800,000. A business which promises such attractive profits may have for a while a disturbing effect upon the regular occupations of the province, but the possibilities of breeding in captivity the more valuable native fur-bearing animals are such as should enlist wide interest and a careful study of the subject.

In the three provinces, although part of the summer was very wet, the returns from agriculture will be up to the average. The quality of the hay is inferior but the yield was generally fair. Coarse grains and potatoes yielded well, and while the record production of apples in Nova Scotia in 1911 was not repeated, the orchards have done very well, and with careful grading of the fruit by the farmers' co-operative societies and the great advantage of proximity to the English market they have produced satisfactory cash results. Evaporating and cider factories use the inferior and damaged fruit to good advantage, thereby reducing the waste to a minimum. All the products of the farm have brought high prices—those for live stock of all kinds showing an average increase in ten years of about 60%, although in this respect New Brunswick and Nova Scotia are still very far behind.

The lumber trade met with unusual conditions in New Brunswick where there are over 7,000,000 acres of timber land with an estimated annual output of 675,000,000 feet, and in Nova Scotia where there are 5,500,000 acres with an estimated output of 460,000,000 feet. There was an average cut, economically produced, but while the market for deals in England was quite good throughout the year, and conditions in the United States and the West Indies improved substantially, the unprecedented scarcity of tonnage and the consequent difficulty in making shipments rendered a profitable export business almost impossible.

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v

In this regard there is at present no improvement in sight, and although foreign stocks are low and markets strong, we expect that the large mills this winter will somewhat curtail operations. For the larger portion of the product of the smaller mills there is now a good and growing local market.

The fisheries presented no very unusual features. The total catch turned out about an average quantity, being larger than would justify present prices, and the remarks made a year ago will apply to the situation at the present time. On the whole, with the possible exception of the sardine industry in New Brunswick, it has been a profitable year for the large fishing population of the North Atlantic seaboard, but the prices paid for dry-cured cod, the principal fish of the trade, were so high that the large distributing houses of Halifax and St. John's, whose annual shipments of that fish alone are valued at about \$10,000,000, have had to be content with a small margin of profit. The trade in fresh, frozen, smoked, and boneless fish has been much the largest in its history, steady supplies being maintained by the use of steam trawlers, and the increase in the shipments of these grades to Quebec, Ontario, and the western provinces has in two years been not less than 150 per cent. The lobster catch was slightly under the average, but the enhanced prices produced fully average results. The investigations of the Conservation Commission and the appointment of a Shellfish Commission by the Dominion Government have given great satisfaction, and it is earnestly hoped that the latter will be able to draw up regulations which will ensure the permanency of the lobster fisheries and renew the thousands of acres of depleted oyster beds in connection with which there are possibilities of great wealth.

The principal mining industry is that of coal mining in Nova Scotia where a new record annual production of about 7,000,000 tons has been reached. This for a few years will probably be the maximum, but thereafter by the

gular opening of fresh pits there is no reason why there should not be a steady annual increase, for which there will always be a ready market. It is indeed probable that when the transcontinental railway lines shall have come through to Halifax, they alone will take the greater part of the output. In New Brunswick the coal mines in Queen's County and the iron mines in Gloucester County are in successful operation. The natural gas wells near Moncton have important industrial possibilities for that district. The other mining operations of the two provinces have not shown any unusual activity.

Manufacturing of all kinds has reflected the excellent business conditions prevailing elsewhere in Canada, and without any exception the mills, in many instances recently enlarged, have been fully employed at remunerative prices. The steel works at Sydney and New Glasgow, now national enterprises of great importance, have had full employment for a considerably enlarged plant. They encountered serious competition from the United States early in the year, but this situation improved later on, enabling both companies to increase their prices to a more profitable level, and, from the present outlook, this condition of affairs is likely to continue for some time to come.

In general business it has been a year of uninterrupted success, with a reasonable expansion in all lines but without any signs of overtrading and with no considerable business failures. Labour has had no interruption from strikes or other causes, and the earning power of the population, especially that of the skilled workman, has more than kept pace with the increased cost of living. Debts were satisfactorily discharged and general credit conditions were never better.

In shipping and foreign trade there is little change to report, but an increase in exports to the British West Indies under the proposed preference may be confidently expected.

In Newfoundland, where the Bank is now established in St. John's, there has been for some years prosperity and progress. The extensive shore fisheries, under improved methods, have on the whole produced a good catch and the prices realized have been as high as those of any previous year. The development of the mining, agricultural, manufacturing, timber and pulp resources of the colony has been of a steady and progressive character. The Government revenues are in a satisfactory condition, and the investments and savings of the population are estimated at about \$18,000,000. The exports show a satisfactory increase and are now within \$858,000 of the imports, the latter from Great Britain and Canada showing increases for the year of 23% and 5% respectively. As in the Maritime Provinces one of the most significant signs of progress is the improvement in transportation facilities. The Reid Newfoundland Company, which formerly gave only a tri-weekly railway service across the Island, have put on a daily train connecting at Point aux Basques with the boat which makes the daily run to North Sydney in seven hours. This, for commercial and mail purposes, will make Newfoundland a part of the continent.

QUEBEC

The Province of Quebec has had its full share of the general prosperity enjoyed throughout Canada in 1912. Notwithstanding the anxiety which was felt during the summer regarding the crop prospects the yield proved considerably better than was expected, and the high prices obtained for all farm produce to a great extent compensated the farmers for any shortage that there may have been in the size of the crops. The weather conditions under which farming operations were carried on during the year were decidedly unfavourable. The cold, wet weather in the spring delayed seeding and the growth of the crops was retarded by the excessive rains during

the summer; these conditions continued throughout the fall, preventing the grain from maturing properly, and making harvesting difficult and expensive. The yield of grain was generally below the average and the quality not up to the usual standard, while in many instances the crops on low lying lands were a failure. The crop of oats was light and in some cases the oats were cut green and used as feed for stock. Reports as to the root crop are somewhat conflicting, but the results appear to have been better than in 1911—this applies especially to potatoes. Vegetables and garden products have found a ready market at high prices. The hay crop suffered in some districts from too much moisture, but on the whole the yield proved satisfactory and in some districts record crops are reported. The abundant hay crop of 1911 enabled the farmers to winter somewhat larger herds of cattle and the season this year was good for pasture. The result was that the quality of the cattle was above the average and large shipments were made to the Montreal market, where high prices were obtained. A moderate number of sheep of good grade were marketed. It is encouraging to note that in some districts considerable attention is being given to the breeding of fine cattle and horses, and important sales were made during the summer at exhibitions of fine stock. No marked increase is noted in hog raising, and local packers continue to send thousands of dollars annually to enable them to feed the inhabitants of Quebec. Dairy operations have been attended with more than ordinary success owing to the increased output and the high prices obtained for butter and cheese. The factories generally report that their receipts of milk have been large and the quality above the average. It is interesting to note that some of the factories in the Eastern Townships find a ready market for their cream across the border line at prices, it is claimed, which yield the

factories better returns than would be obtained if they manufactured the cream into butter.

The yield of maple sugar was unusually small this year, but the quality was good and prices high. This is a very important industry in the province, and it is regrettable that more effective measures are not adopted everywhere in Canada to protect the pure product by prohibiting the sale of adulterated syrups and sugars labelled "maple."

The cultivation of tobacco is becoming an important branch of agriculture in some sections of the province, and an idea of the extent to which this industry is carried on may be obtained from the statement that in one district 3,000,000 pounds were harvested in good condition within a radius of five miles. It was not, however, a favourable year for this crop, as owing to the wet season the plant did not mature quickly enough and the quality of the leaf was somewhat inferior. The profits from growing tobacco are much larger than those from ordinary farming.

Complaints are general as to the scarcity of farm labour, and although high wages are offered conditions do not improve.

The records at the Quebec Observatory show that the rainfall during five months of this year (May to September) reached a total of 24.82 inches, while the average for the same period during the last fifty years was only 18.93 inches.

Last winter was a favourable one on the whole for lumber operations in Quebec and the cut of logs was fairly large. Lumber was in good demand throughout the year at improved prices. There was also a steady demand for pulp wood in both Canada and the United States, and large shipments were made to American paper mills at satisfactory prices. Conditions in the asbestos industry improved somewhat during the year, there was a better demand for all grades, and prices were firmer.

In many respects the navigation season of 1912 was a remarkable one, especially with regard to the increase in west-bound passenger traffic, the arrivals in the port of Montreal being greater in number than during any previous season since the record year of 1907. Freight traffic also showed a marked increase, and rates were more remunerative. The increase in the size and tonnage of the steamers using this route has made it necessary to deepen and widen the ship channels, and dredges were engaged in this work throughout the season.

The export trade in apples from the port of Montreal during the season of 1912 was larger than that of the previous two years, the shipments showing an increase of 60,378 barrels and 22,554 boxes as compared with 1911, and an increase of 163,996 barrels and 222,619 boxes as compared with 1910. While exports of butter for the season of 1911 showed a phenomenal increase over the figures of the previous four years, there was an equally great decrease in 1912, exports to Great Britain having ceased altogether. The demand from British Columbia and the western provinces was very large and 166,250 boxes were sent west, an increase of 50% over the shipments of last year. It is estimated that unless there is a development of mixed farming in the next two or three years it will be necessary for Canada to import butter. Owing to increased local consumption cheese exports decreased 87,645 boxes, the total shipments being 1,723,021 boxes as against 1,810,666 boxes in 1911, and 1,892,235 in 1910; at the same time, on account of the higher prices obtained, the value shows only a slight decrease. The total shipments of grain were 38,918,264 bushels, an increase of 9,025,080 bushels over 1911, and of 12,058,996 over 1910. A noticeable fact is that while in 1911, 5,890,000 bushels of American corn were shipped from Montreal, not one bushel was exported this season. Wheat exports on the other hand were about 12,500,000

bushels larger than last year. Exports of oats, barley and rye were also larger. Hay shows a large decrease, the total being 563,783 bales against 853,962 bales in 1911 and 717,715 in 1910. Flour exports were 1,827,421 sacks and 376,852 barrels compared with 2,217,365 sacks and 186,470 barrels in 1911. The increase in the number of barrels shipped represents a larger trade with Newfoundland. An exceptionally good year was experienced in the lumber trade, exports being 109,370,764 feet as against 103,473,220 feet in 1911, an increase of 5,897,544 feet.

There has been continued activity in real estate during the year, the volume of transactions and the aggregate value represented exceeding all previous records. Prices have advanced for property of every description—commercial, industrial and residential. The increase of \$120,000,000 in 1912 in the assessed value of taxable real estate in the city of Montreal, following as it does a substantial increase in 1911, is an indication of the rapid advance in values which has taken place in city properties. There has been a great deal of speculative trading in real estate, especially in outlying sub-divisions. Prices of central city properties, however, hold firm, and the demand for desirable sites for building purposes will probably continue for some time yet. Building operations have been active throughout the province and have been on a very large scale in the city of Montreal, the total building permits issued for the year being \$19,642,000 as compared with \$14,580,000 in 1911. The towns of Westmount, Outremont, Verdun and Maisonneuve are within the territory of Montreal, but are separate corporations and the amount of their building operations is not included in these figures.

Trade conditions generally throughout Quebec have been good this year. Manufacturing concerns have been working up to their full capacity, and cotton mills, the

building and metal trades and many other industries are finding it difficult to keep up with their orders. The year has been a prosperous one for the flour milling business, the increasing home demand absorbing a larger percentage of the output. The metal trade has been very active at advanced prices.

The figures of the bank clearings in Montreal for the year exceed all previous records, the total being \$2,845,470,000, an increase of \$476,980,000 over last year's figures.

ONTARIO

The results of the past year to the farmers of Ontario indicate that on the whole it cannot be regarded as an altogether unsatisfactory one. The opening of spring was late in some sections, and continued wet weather during the summer and fall caused a good deal of anxiety as to the final results of the crops. Fall wheat, which is extensively grown in Ontario, undoubtedly suffered more than other grains, but it is a satisfaction to note that in many districts, where early conditions indicated damage to this grain, the farmers were fully alive to the situation, and saved themselves by reploughing the land and reseeded it with coarse grains suitable for feeding purposes. Where the fall wheat escaped injury from frost and wet weather our reports show that the yields were quite up to the average and the grade equal to the best of previous years. Spring wheat was barely an average crop and suffered a good deal from variable weather conditions. Oats and barley generally gave an abundant yield, although also damaged by weather conditions to some extent. The principal districts producing corn report excellent quality and good yields. Hay has been an abundant crop, having an estimated value of \$78,310,000, and the pasturage for live stock during the year was better than usual owing to an abundance of moisture. With the

exception of the potato crop, roots have given satisfactory returns.

While the results from the raising of grain are not generally satisfactory, yet the loss through shrinkage in quality and price will be fully made good to those farmers who have been progressive enough to guard against such a contingency by providing for the raising and feeding of cattle, pigs, sheep, horses, etc. Fortunately, too, the farmers of Ontario are rapidly learning to minimize the loss from poor grain crops by utilizing them in the green state for feeding purposes by means of the silo, and a great deal of money will be made by individual farmers as well as saved to the country generally by the adoption of this method of storing fodder.

The latest returns compiled by the Provincial authorities indicate the holdings of live stock and the yields of grain, hay and roots to be as follows:—

LIVE STOCK

	1st July, 1911	1st July, 1912
Horses	737,916	742,139
Cattle.....	2,593,205	2,624,780
Sheep and Lambs....	1,040,245	1,021,848
Swine.....	1,744,983	1,702,652
Turkeys.....	638,943	660,843
Geese.....	365,876	362,674
Ducks.....	404,679	415,251
Other Fowls.....	11,532,795	11,586,215
Wool Clip.....	3,780,798 lbs.	3,669,419 lbs.

FIELD CROPS

	Acres	Bushels	Estimated Value
Fall Wheat.....	759,888	15,039,885	\$14,287,890
Spring Wheat....	123,080	2,302,339	2,072,105
Barley.....	647,382	19,232,275	11,539,365
Oats.....	2,601,735	98,444,807	32,486,786
Peas.....	221,524	3,667,005	3,667,005
Beans.....	69,703	1,182,132	2,659,797
Rye.....	105,949	1,839,675	1,306,160

FIELD CROPS—(continued)

	Acres	Bushel	Estimated Value
Buckwheat	205,893	5,414,796	\$ 2,436,658
Corn (for husking)	301,251	21,969,468	9,886,260
Potatoes	158,888	21,346,394	12,167,444
Carrots	2,742	747,207	245,578
Mangel-wurzels	66,103	27,671,114	2,213,689
Turnips	101,529	49,561,566	4,956,156
Sugar Beets	21,054	7,819,066	938,287
Mixed Grains	448,402	16,382,161	9,829,296
	Tons	Tons	
Corn (for silo)	377,982	3,969,597	8,614,025
Hay and Clover	3,367,369	5,220,713	78,310,695
			<u>\$197,618,205</u>

The total market value of the same crops for last year was \$179,974,000.

Where proper methods for the raising of live stock prevail the profits this year have been very satisfactory. The cattle have fattened well, owing to good pasturage, and prices have reached unusually high figures. Hogs have commanded high prices through heavy local and export demands. Farmers who take an interest in raising a good class of horses are able to obtain almost fancy prices. There is a greater tendency, too, in some quarters to engage in the raising of cattle for the production of milk. With this in view particular attention is being given to the breed of the animal. This is a branch of farming which should receive every encouragement from those engaged in the manufacturing of dairy products, such as butter and cheese.

It is a satisfaction to note that where cheese is manufactured the output of the majority of Ontario factories shows a good increase over last year, and also that the prices realized are considerably higher than those of last year. In districts where dairying is carried on extensively the returns have been good, although it is to be

regretted that large quantities of cream are exported which should be available for manufacturing into butter and cheese. This branch of industry appears to entail much harder work than the mere delivery of milk to the cheese factories, and those engaged in it should see that proper facilities for the collection of the cream are afforded the farmer and that he receives a reasonably good return for his labours.

With possibly one or two exceptions the yields of the smaller fruits have been up to the average and the prices received were on a higher level consequent upon an increased demand from the western provinces and the greater requirements of the canners to fill contracts they had closed for future delivery. Peaches gave an unusually large yield, and although prices fell below those of previous years there was scarcely a time during the season when the supply of good varieties was greater than the demand. The yield of apples was unusually good and prices are consequently lower. There is a general feeling that the profits of apple growers have suffered from careless methods of handling the fruit. In some quarters competent authorities consider that such criticisms are unjust, as there is always, in the case of a large crop, a certain percentage of waste. The chief difficulty in obtaining the best results from an orchard appears to be that of securing labour during the picking and packing seasons, but an attempt is being made by the fruit dealers to remedy this unsatisfactory state of affairs.

In summarizing our remarks on agriculture we would say to the farmer and raiser of live stock that as the business man in these days of strenuous competition finds himself forced, in order to secure success, to specialize in certain lines of his particular business, we think that the farmer also should carry this principle into the management of his affairs. He may devote his attention to one or more of the following lines: the

cultivation of the best varieties of wheat, oats, barley, flax, peas, hay, roots, etc., and the selection of seed; the raising of improved breeds of cattle, horses, hogs and sheep; the production of the highest grades of all kinds of fruit adapted to this province; the development of our dairying industry and the increased production of cheese, butter and cream; or the breeding of high-grade small live stock, such as fowls, geese, turkeys or ducks. Our information shows that only a beginning has been made by the Ontario farmer to excel in the lines mentioned. We know, however, that where the principle suggested has been carried out the results obtained have in many cases been almost incredible. We do not wish to discourage the Ontario farmer in his efforts to raise grain, but the day is not far distant when the more general adoption of modern methods by the farmers of the western provinces, which by the way do not lend themselves altogether to the working of Ontario farms, will result in practically driving the Ontario man to adopt the highest possible system of intensified farming if he wishes to continue to secure proper returns for his labour. Whilst western methods are not yet by any means what they ought to be, indeed are crude and harmful in many ways, yet the richness of the arable lands offsets for the present the loss from indifferent farming and gives the westerner a considerable advantage over his eastern competitor. The westerner, however, cannot continue much longer in impoverishing the land by constantly cropping it and failing to restore its richness by the use of fertilizers. He will, we hope, soon learn by experience that only by proper methods can the best results be obtained.

Whilst the cut of lumber in the Ottawa valley will show a considerable increase over 1911, yet it is estimated that the cut for the whole of Ontario will be less by 175,000,000 to 200,000,000 feet than that of 1912. This is attributable partly to the destruction by fire during the year of

several important mills. The demand in the Canadian markets has been good and prices have advanced steadily. The demand for all kinds of low grade lumber is unusually good and the prices for this grade are higher than ever before. The visible supply is barely sufficient to meet the requirements of the market, and this condition will doubtless force the consumer to use common grades for the manufacture of boxes and other classes of work for which low grades would otherwise be used. As the visible supply of the high grades is also limited, prices are likely to rule firm and possibly advance still further. The one unsatisfactory feature of the industry is the question of labour. Skilled men it is almost impossible to secure, and the employment of the foreigner, who has practically no experience and requires a great deal of instruction, adds materially to the cost of manufacture.

The Cobalt district reports satisfactory results. The silver production is about 30,500,000 ounces valued in the market at \$18,500,000, and to the mines at \$17,500,000. Compared with 1911, which was the record year, the value is higher by \$1,500,000, but in weight, the real indication of production, a falling off of about 1,000,000 ounces is shown. From the foregoing figures it would not appear to have been necessary for the mine owners to ship so freely in order to keep up their dividends and although it would seem that we may secure the same production for a few years longer, yet we cannot expect, according to the best authorities, to continue showing in the future the same gratifying yearly increases that we have in the past. No important new districts have been discovered during the year and the outlying points of the Cobalt district have not added much to the total production. As a matter of record we quote the value of the production since the camp was opened:

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1904.....	\$ 111,887	1909.....	\$12,461,576
1905.....	1,360,503	1910.....	15,478,047
1906.....	3,067,551	1911.....	15,919,019
1907.....	6,155,391	1912(estimated)	17,500,000
1908.....	9,133,378		

a total for the nine years of \$81,817,352. These figures indicate the return to the mines after deducting freight and smelter charges. The gross market value would be about \$87,000,000. In 1911 the value of the world's production of silver was \$127,849,000, as against \$128,703,000 in 1910. Canada ranked third with 14% of the total, Mexico first with a production valued at \$42,842,000 and the United States second with a valuation of \$30,805,000.

The price of silver during 1912 has been satisfactory. Not since 1906-7 have we seen such prices for this metal. In January the average was 56.2 cents per ounce, and there was a gradual rise during the year until October when it averaged 63.4 cents. The average for the year will be about 61 cents, an increase of about 8 cents over the average for 1911. This means to Cobalt an increase in value of about \$2,400,000 on the production for the year. Some of the principal influences in bringing about this rise of price were prospective purchases by China, purchases by the Government of India, and the curtailment of the production in Mexico consequent upon the unstable condition of business resulting from the rebellion of the past two years.

At Porcupine satisfactory developments have been going on and these are now known to the public. The value of the ore deposits in this district is estimated at \$25,000,000; about \$2,000,000 worth has been taken out this year and a production of \$6,000,000 is estimated for 1913. It seems evident that the camp will add to the world's output of gold about \$6,000,000 per year for a few years to come.

The world's production of gold in 1911 was \$465,414,000, compared with \$454,613,000 in 1910. The chief contributors in 1911 were:

Transvaal....	\$170,000,000	Rhodesia....	\$12,986,000
United States.	96,233,000	India.....	10,659,000
Australasia ...	59,787,000	China.....	10,000,000
Mexico	29,196,000	Canada.....	9,762,000
Russia.....	24,865,000		

Canada's share thus amounts to about 2% of the whole.

Ontario's mineral production for 1911 was \$41,432,000 as against \$39,313,000 for 1910, and \$32,981,000 in 1909. Of the total for 1911 \$29,000,000 was metallic, silver contributing \$15,949,019, pig iron \$7,600,000, nickel \$3,664,000 and copper \$1,281,000.

With hardly an exception the manufacturing centres report great activity in all lines and much difficulty is experienced in filling orders. In some lines manufacturers are refusing to fix dates for delivery and the jobber is fortunate indeed who receives sufficiently prompt delivery to enable him to take advantage of the constantly advancing prices.

The building trade has been exceedingly active throughout the province, in spite of advancing prices for material and the increase of wages generally. In Toronto not even the high prices for real estate appear to check this activity. In large centres, but principally in Toronto, sales of property in the business sections have reached figures which two or three years ago would have been regarded as incapable of yielding a reasonable return upon the capital invested. We view the present situation in the real estate market with some degree of concern as regards the high prices recently paid for business properties as well as for property considerably beyond the limits of business areas.

It is satisfactory to learn that fair progress has been made in improving some of our main highways, and that provincial governments and municipalities now see the importance of continuing the work with all the despatch which available funds and the supply of labour will permit.

The records of the tonnage passing through our canals, rivers and lakes indicate a healthy growth as compared with last year and the business appears to have returned satisfactory profits. The Sault Ste. Marie Canal figures are:

<i>Canadian Canal—</i>	1911	1912
Tonnage in freight.....	27,640,523	34,625,120
Registered tonnage of vessels . . .	17,114,614	22,545,352
<i>American Canal—</i>	1911	1912
Tonnage in freight.....	19,722,711	28,158,744
Registered tonnage of vessels . . .	10,020,305	27,127,612

MANITOBA, SASKATCHEWAN AND ALBERTA

When the agricultural season of 1911 ended there was sufficient uncertainty as to the final outcome to check any tendency towards undue expansion on the part of either the farming or the business community of the prairie provinces. While the grain crop was a large one, the average grade was low; threshing was badly delayed by wet weather; and probably more than 50,000,000 bushels of grain went under snow in the stook and stack, much of which pessimists prophesied would never be threshed. The snow-fall being light, however, this particular grain threshed out in the spring with a better net result to the farmers than they derived from their fall threshing, and as all grains kept at high price levels, the season on the whole proved a very favourable one.

Despite a somewhat prolonged drought in June and unusually wet weather conditions in July, August and September, the 1912 crop is undoubtedly larger than that of 1911, the comparison being as follows:

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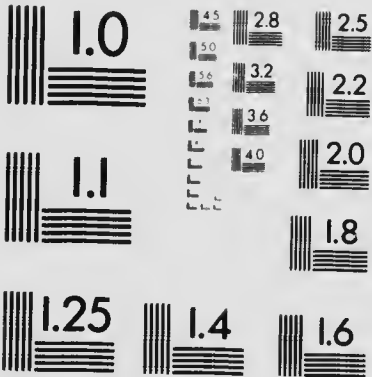


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	1911		1912
Wheat.....	177,100,000	bushels.....	196,400,000 bushels
Oats	190,000,000	"	224,500,000 "
Barley.....	33,000,000	"	39,600,000 "
Flax.....	8,000,000	"	12,900,000 "

The figures for 1912 are estimated. Only a small part of the crop will have to be left for threshing in the spring. The average grade is much higher than last year—indeed the quality is the best in ten years, with one exception, but prices are at present much lower than in 1911-12, and unless the markets improve later on, the net money result per acre to the farmer will not be much if at all better than that of last year. The total money value to the farmer, however, will be in the neighborhood of \$200,000,000. When to this sum is added the money realized from root crops, live stock and dairy products, and consideration is given to the fact that while the rural population of the three provinces is increasing in a large ratio it is as yet only 849,042, it is not necessary to seek further for an explanation of the great prosperity which the western country has been enjoying, as reflected in the astonishing growth of the principal cities and towns, the rapidity of the railway development, and the extraordinary increase in the volume of manufacturing and distributing.

Over most of the country the mild weather which prevailed well into November has enabled farmers to do a great deal of fall ploughing, so that seeding should be carried on next spring under much more favourable conditions than last season. A great deal of new land has been broken, and the acreage under crop next year will therefore show a large increase.

In order to comprehend the development of the western country during the last few years and to form an adequate idea of the growth for which we must prepare, the facts regarding the flow of immigration will be found

illuminative. The figures of the immigration to Canada since 1900 are as follows:

1900-1 (to 30 June).....	49,149
1901-2 " " "	67,379
1902-3 " " "	128,364
1903-4 " " "	130,331
1904-5 " " "	146,266
1905-6 " " "	189,064
1906-7 (9 mos to 31 March)	124,667
1907-8 (to 31 March).....	262,469
1908-9 " " "	146,908
1909-10 " " "	208,794
1910-11 " " "	311,084
1911-12 " " "	354,237
1912-13 (estimated as to last 5 mos.)	400,000

At least 50% of this immigration settled west of the Great Lakes. The percentage in 1911-12 was 52, while for 1912-13 it is estimated at 54.

It is a notable fact that in the United States, marvellous as the growth of that country has been, an immigration of 400,000 a year was not reached until the total population was over 40,000,000. The tide of immigration did not commence flowing to Canada until after 1900. It set in not only because of the great fertility of western Canada but because it is now the last area in North America where free and cheap land is available. We are thus assured of an increasing volume of emigrants from at least the northern countries of Europe, as well as of settlers of the best type from the western United States where land values have advanced to figures which make the agricultural possibilities of our western provinces particularly attractive. We must therefore prepare for a continued increase in immigration to an extent which will for many years tax all our resources in matters of transportation, manufacturing, banking, distributing, etc. Preparation for this development so that it may proceed without being attended by grave dangers renders it necessary that the problems it

involves should be foreseen and as far as possible solved in advance.

The encroachment of settlers on lands which were formerly used by ranchers for ranging their live stock has gradually driven the large rancher out of business until there are now not a dozen really large ranchers left. It has become clear that a serious mistake was made in putting no restrictions on the settlement of ranching lands. Large areas better suited to ranching than farming have been rendered useless for ranching by a scattered settlement, and a Government Commission has now been appointed "to enquire into and report on the advisability of setting apart certain tracts of land for the encouragement of ranching and grazing in southern Saskatchewan and Alberta." If much is to be accomplished in this direction, however, it will be necessary for the Government to make a considerable appropriation to buy out settlers in districts best suited for ranching and move them to other districts. How deplorable a situation has been created in the cattle raising industry of the west will be understood when it is stated, on excellent authority, that so great is the shortage of cattle in the hands of ranchers and farmers combined that contracts have already been made under which dressed beef from Australia and New Zealand will be delivered at Vancouver in March and April for western packing houses.

The situation in this matter is illustrated in an equally striking manner by the following figures of cattle exports from the ranching province of Alberta:

1907.....	43,000 head	1910.....	52,000 head
1908.....	62,000 "	1911.....	11,000 "
1909.....	67,000 "	1912.....	5,000 "

During the past ten years the price of the highest grade beef cattle on the Winnipeg market has risen from about $3\frac{1}{4}$ cents per pound live weight to $6\frac{1}{4}$ cents—approximately 100%. It is not therefore remarkable that 1912 has been

the most prosperous year for those ranchers who had stock to sell.

To find a remedy for the shortage in cattle and other live stock we must now look mainly to what can be accomplished by the increased development of mixed farming, and at best it must be four or five years before the supply of beef cattle can be largely increased. By far the larger portion of the three western provinces is admirably adapted for mixed farming, and it is a matter of great importance that the adoption of such methods should proceed much more rapidly than is at present the case. It is gratifying to find that this year over a large portion of Alberta and Manitoba and in many parts of northern Saskatchewan, particularly in those districts which in past years have suffered from frost, there is now a pronounced tendency on the part of the farmer to acquire live stock, but want of capital renders this development a very slow one. If the farmer could readily borrow money with which to carry cattle, it is clear that in the districts above mentioned a great impetus would be given to mixed farming. In those parts of the country however where the results from grain raising have been almost uniformly satisfactory there is little hope of inducing the farmer to go in for live stock.

The rapid increase in the total grain crop creates two problems for the farmer, namely, a shortage of labour, and a physical difficulty in the way of marketing grain promptly. The unwisdom of attempting to force a whole year's grain crop on the market in a period of two or three months is generally admitted, and as the financial position of the individual farmer improves so that he will not be compelled to realize quickly on his crop, the problem of marketing the grain will doubtless be largely met by increasing the storage facilities on the farm as well as those of the country elevator systems. The shortage of labour at the season when the saving of the crop necessitates its

being cut and threshed quickly, involves an annual loss to the farmers of several million dollars. This is a condition which is not likely to be remedied until the permanent farm labouring population is largely increased, and mixed farming would bring this about to a large extent by offering employment for labour the year round instead of during seeding and harvest time only. The situation calls for concerted action on the part of the governments, and of the railways, banks and other large business interests, not only to promote the adoption of better farming methods, but to provide means of financing the progressive farmer who desires to go into stock raising. We cannot force the development of mixed farming, but we could seek to remove the difficulties in the way. The losses suffered in numerous districts from damage to grain by wet and frost, and the disappointment of farmers generally because of the recent drop in grain prices—occurring coincidentally with high prices for all live stock,—render the present a peculiarly opportune time at which to inaugurate a vigorous movement to encourage diversified farming.

In 1911 about 1,459 miles of railway were constructed in the three prairie provinces; in 1912 the new trackage built has been approximately 1,250 miles; while the work already planned to be undertaken in 1913 and 1914 is upwards of 2,000 miles. The question has naturally been raised whether there is not to be found in the figures of our railway construction work a menace to the uninterrupted prosperity of the country. What will happen, it is asked, when this railway construction ceases and with it the circulation of money due to the expenditures on such work? We have no desire to minimize the problems and dangers attendant on such a rapid development as we are enjoying, but we think the answer to this question is that transportation facilities are scarcely keeping pace with the growth of traffic, and that assuming

the flow of immigration continued to increase there could be no sudden cessation of railroad construction. When the work on the main lines is completed a large mileage of branch lines will be required, and the lessening of expenditures on railways should be a gradual process—and in view of the scarcity of labour of all kinds during the past few years such a contraction in railway building might have counter-balancing advantages.

The unparalleled growth of western urban municipalities of every class—which in a new and purely agricultural country could only reflect a corresponding settlement of the land—has created a problem in municipal finance which fortunately was brought sharply home to municipal officials during the past year. The extent to which the average western town has made expenditures on permanent pavements and sidewalks of the best kind, on schools and other municipal buildings adequate in scale and creditable in design, and on modern water, sewer and lighting systems is very marked. It is also notable that where the larger cities have established municipally owned tramways and streetcar systems, the construction and equipment of these are of the most approved class. Usually the wisdom of such improvement expenditures from the standpoint of the present and prospective needs of the municipalities cannot be seriously questioned, but the aggregate offerings of the resulting debentures have risen to figures which, added to those of Provincial Government issues, have suddenly exhausted the supply of monies available for investment at the rates which this class of Canadian security has been commanding. As a consequence some municipalities have had to sell their securities at large concessions on previous prices, while others held over a considerable mass of debentures in the hope of an improvement in the market, and most of these securities will now have to be carried until the financial markets recover from the effect of the eastern war situation. It is clear that even then,

having regard to the immense increase which must take place in the future offerings of Canadian provincial and municipal securities, considerably lower prices for these securities should be expected.

The existence of an extensive speculation in real estate cannot be denied, but an exaggerated impression prevails, particularly abroad, as to its bearing on the commercial prosperity of the country. We have no hesitation in saying that very few well informed land men can be found, even among mortgage lenders, who regard western farm land values as at all excessive, although it is important to note that nevertheless the land mortgage companies continue to place an extremely conservative limit on the amount they will lend per acre even in the most favoured sections of the country—a fact which itself acts to prevent inflation of values. If we are to judge by standards prevailing throughout North America, the values of outside business properties in most of the growing cities and towns of the west have, to say the least, discounted a good many years of the future, and sooner or later a readjustment of values must take place, though how long this readjustment may be delayed through the very necessities of so rapidly increasing a population it is impossible to say. This opinion however is so widely held among the leading business men throughout the country, and especially among those who have control of the banking institutions, life assurance companies and other loan and investment companies, that the speculation in real estate has been confined in such channels that a serious shrinkage in values could have but an inconsiderable effect on the prosperity of the country as a whole. The real estate conditions affect chiefly the business situation in so far as country merchants have a portion of their capital invested in real estate, but the storekeeper's speculation is usually in farm lands, the values of which, as pointed out, are not on a level which leaves room for a severe shrinkage. The speculation in city

properties has largely been in the hands of foreign investors and a class of semi-professional real estate dealers resident here.

Along with flour milling and coal mining, lumbering is one of the three most important commercial industries of the prairie provinces. With the rapid settlement of the land a market for low grade lumber, such as is produced from spruce timber, has developed broad enough not only to absorb all the lumber likely to be produced by the spruce mills with their comparatively limited supply of timber, but also to consume large quantities of lumber from Ontario and British Columbia mills. Over a large portion of this territory the spruce mills control this market by reason of their advantageous location, the difference in their favour over British Columbia mills in the matter of freight rates ranging from \$2 to \$4 per 1,000 feet. As a consequence the northern lumber mills are enjoying a marked prosperity, notwithstanding that they have latterly been in competition with "dumped" lumber from Washington and British Columbia. During the past few months a pronounced recovery in the market for all United States Pacific Coast lumber has removed the pressure of competition from this source and the result has been a strong demand for the product of the spruce mills at improving prices. As the stocks held by the lumber yards are said to be quite small, the northern mills are assured of an unusually profitable business in 1913. The lumber manufactured in the prairie provinces in 1910 was 163,980,000 feet, and in 1911 239,574,000 feet. The figures for 1912 are not yet available, but they will show a substantial increase over 1911, while there is every indication of a still larger output in 1913.

The coal mining industry in southern Alberta suffered a severe set back from a labour strike in 1911 lasting from May to November, but is again developing rapidly, as shown by the following figures of production:—

THE CANADIAN BANK OF COMMERCE

1909.....	1,994,771 tons
1910.....	2,824,929 "
1911.....	1,694,564 "
1912 (Government estimate).....	3,500,000 "

The prairie markets readily absorb the whole output of the Alberta mines, about two-thirds of the amount being consumed in Alberta alone. The business is now on a profitable footing; extensive new development is under way, and the industry is one which is certain to become of large importance.

The development in the important industry of flour milling has reached a point where the daily capacity of the exporting mills west of Fort William is 23,750 bbls. per diem, and in addition two large new mills are projected at Medicine Hat, besides one at Moose Jaw and one at Regina. The mills have all been run to practically their full capacity, and the year has been a satisfactory one as regards earnings.

Perhaps the most important development of the past year or two affecting the future of Canada has been the practical demonstration of the fact that in the Peace River district, a stretch of land in length about equal to the distance from Winnipeg to Edmonton and of varying breadth, we have large areas which are admirably adapted to mixed farming and in parts to the raising of marketable grain. Within the past year the Bank has established branches at Grouard and Lake Saskatoon, and we are now in a position to speak with some knowledge of conditions. Much of the land is at too high an altitude for the raising of grain for market, but thousands of square miles will undoubtedly grow feed crops. On Grande Prairie, however, in the past season a crop averaging 30 bushels of wheat and 55 bushels of oats of excellent grade was successfully harvested, and it would now appear to be a possibility that the northern boundary of our agricultural areas may have to be moved again to include the basin of the

MacKenzie River. The experience of one year is not of course sufficient to demonstrate that grain growing would be successful, but it does suffice to establish the possibilities of mixed farming, and it is gratifying to know that the settlers are taking up live stock raising at the outset, so that settlement is commencing under conditions which will ensure success. An immense flow of natural gas was struck at Pelican Lake at a depth of 1,000 feet, while a moderate flow was also found at Athabasca Landing at a depth of only 350 feet. There are also large fields of coal, presumably of the same character as the Alberta coal, and there are indications of copper and other minerals near Great Slave Lake and other parts of the north.

Another recent development of large significance is the evolution of a new species of wheat — the "Marquis" variety — which matures about ten days earlier than any other wheat now known. For milling purposes it is quite equal to No. 1 Northern, and it is the variety with which Mr. Wheeler of Rosthern in 1911 won the prize at New York for the best bushel of wheat grown in America. It will be extensively sown in the west in 1913, and its great value to the country of course arises from the fact that it will be ready for harvesting before the time at which frost is to be feared.

BRITISH COLUMBIA AND YUKON

In British Columbia the prosperity of the past few years has continued without showing signs of abatement. These satisfactory conditions may be ascribed somewhat to the railway construction which is in progress and which is likely to continue for some few years to come, but there has been a steady influx of population, a continuance of which it seems reasonable to expect. Prices of real estate have in many cases increased and have in every direction been fairly maintained. In Vancouver the record figure of

\$6,000 per front foot was recently paid for a prominent corner on one of the two principal streets, and in Victoria prices have also steadily advanced. The development of Vancouver Island is progressing rapidly and new localities are being exploited as a result of actual or expected arrival of railways. The flow of seeking investment in the province continues without cessation, and we find people of large means in Great Britain buying extensive areas in the northern and outlying sections with a view to the establishment of ready-made farms to which desirable settlers will be sent. It is becoming recognized in Great Britain that safe investments can be secured in British Columbia which will return rates of interest much in excess of what can be obtained on the other side of the Atlantic.

Municipal borrowings, principally for local improvements, still continue to be active, but the position now is that the British investors seek better returns for their money, consequently either the debentures must bear higher rates of interest than in the past or they must be sold at a lower price. It is extremely desirable that municipalities, before embarking upon works which will call for the issue of their obligations, should arrange definitely for the sale of the relative debentures.

North of the line of the Canadian Pacific Railway Company in this province, new agricultural sections are being opened up, and a fairly steady flow of settlers is coming in along the line of such of the expected railway developments as are to some extent assured. The opening of the Panama Canal will, it is expected, attract to ports on the Pacific coast from as far east as the central portion of Saskatchewan a considerable quantity of the grain which has hitherto been exported via the great lakes. The question has been raised as to whether grain can be satisfactorily handled by that route on account of the heat which it will encounter in the southern latitudes, but the weight of opinion is in the affirmative, and it seems clear

that a saving in cost will be effected by shipping via the Pacific coast.

The fruit industry is steadily becoming of more importance, and there has been little or no falling off in the prices asked for fruit lands of both the improved and unimproved class. The available area is being gradually extended and now covers sections in almost all parts of the province south of or in the neighbourhood of the line of the Canadian Pacific Railway Company. Mistakes have been made as to the kinds of fruit which should be cultivated in the various districts, but this is being rapidly overcome as the result of experience. It may be emphasized that fruit culture requires practical knowledge without which it cannot be successfully conducted. There has been some tendency in the past to overlook this requirement and to rely upon second-hand information or such as has been academically acquired. The labour feature in this connection is one that will call for some serious consideration as the large areas now under cultivation come under full bearing, and this year it was made plain that properly organized selling agencies to handle the fruits of each district are an absolute necessity. For lack of these and because of inadequate transportation facilities in some districts, tons of fruit were allowed to rot on the ground.

The crops of hay and oats were about up to the average. The potato crop this year did not prove, in some of the westerly sections, quite so satisfactory as regards quality, and as the high prices of last year had induced much heavier planting, the result was lower prices throughout. Other roots were about normal. Hops are grown in a few sections; the output is not heavy, but results were satisfactory and there is no reason why there should not be steady development in this branch of agriculture.

Cattle wintered well and prices have been well maintained. In the latter part of November the record figure of $6\frac{1}{4}$ cents live weight was paid in the Kamloops district.

Cattle-raising on ranges in the older sections is steadily decreasing partly owing to the prevailing high prices for land. In the past a very large amount of acreage devoted to cattle ranches has been held under Government leases, and this is now being cut up into homesteads.

In the salmon industry this is the last of the lean years in the quadrennial period, but the pack, which amounts to 996,576 cases for the whole province, shows a distinct improvement as compared with 542,689 cases put up in 1908, the corresponding year. Next year the large run of sockeyes on the Fraser River takes place. The catch in the northern rivers was exceptionally good, but prices everywhere for the cheap grades have ruled low. Last year a very large quantity of fish was poorly packed and an extra quantity of low-priced varieties was put up in Alaska. The large dealers to the south, finding that so much of the pack was in the hands of the middlemen, dropped the prices for the lower grades to cost or slightly under, and the bulk of this class of fish has now passed out of the hands of the middlemen. The opening of the season next year should find stocks very low. The beneficial result of this action is apparently unquestioned, although naturally the middlemen do not cordially appreciate the partial elimination of their profits. An attempt was also made by the British dealers to induce a return to the system of shipping on consignment; this, however, was wisely and successfully resisted by the packers. It is satisfactory to note that the Government hatcheries this year have been well stocked and the effect upon the supply of fish in the future, if this policy is continued, can be readily judged.

In lumber the conditions in the earlier part of the year, in respect to both demand and prices, were unsatisfactory, this being largely due to the dumping in the Central Western provinces of the cheaper grades produced in the United States. A much better state of affairs now exists, partly owing to the improvement in the lumber business on the

other side of the line and partly because of the good harvest in our prairie provinces. Prices rule from \$1.50 to \$2.00 per thousand feet better than in 1911, and the indications are for a continuance of a strong market for some time to come. The cut of lumber in British Columbia for 1912 cannot be ascertained at the time of writing, but according to the best information attainable will largely exceed that of 1,189,000,000 feet for 1911, indeed for the ten months to the end of October the figures ran to about 1,244,000,000 feet. Timber lands are steadily increasing in value. Good results are expected in this industry from the opening of the Panama Canal.

In mining the high price of copper has stimulated production, the figures of the Boundary District, which is the largest source of supply of that metal in the province, being:

1911—22,327,359 lbs.....	\$2,764,127
1912—33,600,000 lbs. (estimated).....	\$5,600,000

We do not now hear of the "wildcatting" that prevailed in earlier years, mining being regarded as a business and not as a mere pretext for stock flotations. The production of coal this year is estimated at 3,205,159 long tons as compared with 2,297,718 tons in 1911. Of the increase 856,660 tons are ascribable to the Crow's Nest Pass district. It is unfortunate, however, that there has again been a strike among the operatives—this time on Vancouver Island—commencing in September and in force at the date of writing. Only one company has been affected and they are now operating on a reduced scale by the employment of imported miners. In the Crow's Nest district the effects of the resumption following the strike, to which allusion was made last year, were not fully felt until about July or August. When their customers found in 1911 that they were unable to secure the requisite supplies they were obliged to apply to coal owners elsewhere and were able to have their requirements filled

only by entering into contracts covering twelve months. It was therefore impossible until the expiry of the year to return to their old friends in the Kootenays.

Building has been, generally speaking, active throughout the province, particularly so in the larger cities. The following are the combined figures of the building permits of Vancouver and Victoria for the years 1905-1912 inclusive; each, as will be noted, has been a banner year:

1905.....	\$ 3,207,250
1906.....	5,007,710
1907.....	7,112,994
1908.....	7,305,133
1909.....	8,977,195
1910.....	15,523,410
1911.....	21,912,957
1912.....	27,457,202

For the year ending 30th June last the British Columbia Electric Railway Company carried 62,154,166 passengers, as compared with 46,541,448 during the corresponding period in 1910 and 1911.

The gold produced in the Yukon has exceeded the figures of last year by about \$800,000, the total production for 1912 being estimated at \$5,000,000 according to the latest figures available. The mining is now almost entirely in the hands of the larger companies operating by dredging or hydraulic methods, and unless new placer ground is discovered, we are likely to see little more of the individual miner who is steadily disappearing. It may be noted that the dredging season has been lengthened by improved methods. Last year it closed in December and an attempt is to be made this year to operate throughout the winter. Nothing of any importance has been effected in the way of gold quartz mining. In copper in the district about White Horse, some 400 miles south of Dawson, the results have been most encouraging. Some 20,000 tons have been extracted and shipped, the approximate value

at the mine amounting to \$185,000. At the present price of copper and with the lessened freight charges, according to the schedule now in existence, there seems to be no question but that this product can be handled at a satisfactory profit, and the ore bodies are quite extensive. Business conditions in the territory have been steady and the freight and passenger traffic has been about the same as last year with a slight advantage in favour of 1912.

UNITED STATES

I.

The Presidential election has come and gone with the slightest possible apparent effect upon trade and industry. Neither the election itself nor its results, sweeping as they were, have seriously changed the optimistic undertone previously characterizing trade sentiment, the situation in this respect presenting one of the most notable economic phenomena of recent times. In short, freedom from political disturbance, an abundant harvest and a heavy demand for home consumption have combined to produce unusual activity in trade and industrial circles. Trade in staple lines is active, with calls for immediate shipment a feature, while operations for forward delivery are enlarging. The prospects for 1913 appear to be quite encouraging, although the coming revision of the tariff is causing a little perplexity in some quarters.

Retail trade continues to be excellent. Wage earners are well employed at relatively high wages and there is an actual dearth of labour in some of the great manufacturing centres of the west, so that it is difficult for manufacturers to operate their plants at capacity in order to fill the great volume of orders on their books. The iron and steel industry is exceptionally active and some of the great mills have booked sufficient orders to insure good business for six months to come. Although buying by country merchants has not been heavy for weeks, the

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shortage of merchandise has in some cases made it necessary to secure virtually new stocks throughout. Merchants are not borrowing excessively, although inquiry from mercantile sources is growing and the chances are that it will continue to increase for some time to come.

The more important factors governing the present outlook are increased monthly earnings by railroads; weekly gains in bank clearings in many of the large cities averaging 20 or 30 per cent. over those of last year; enormous purchases of equipment by the railroads as indicated by orders given out in October for nearly 350,000 cars and 575,000 tons of rails; record-breaking east-bound shipments of grain from Chicago, and an unprecedented movement of grain to primary points; the heaviest demand upon railroad facilities witnessed in five years, and the largest business on the books of the steel-making companies since 1907. With the country doing such an active business it is natural for the borrowing demand to be laden and for both call and time loan rates to advance moderately. Prevailing rates for such loans are not, however, abnormally high, judged by the quotations which have obtained before at this season of the year, and there is no reason to believe that undue stringency will develop here unless the foreign markets should become very greatly disturbed, and cause interest rates abroad to advance in a marked degree.

With the incoming of the new administration more will be heard of tariff revision and other great questions before Congress. There is no likelihood that currency legislation will be taken up immediately, or at least until Congress has considered the special bills which will be introduced as soon as the House re-convenes.

The condensed trade statements for the eleven months of 1912 ending 30th November and for the corresponding periods in 1911 and 1910 are as follows:

	1912	1911	1910
Imports	\$1,664,270,000	\$1,391,884,000	\$1,426,194,000
Exports	2,148,617,000	1,867,619,000	1,637,256,000
Excess of Exports..	\$484,347,000	\$475,935,000	\$211,062,000

For the ten months ending 31st October the record of failures shows an increase of 11 per cent. in 1912 as compared with 1911 and 20 per cent. as compared with 1910, but a decrease of 3 per cent. from 1908, following the panic year 1907. Liabilities are 8 per cent. larger than in 1911, and are 40 per cent. greater than in 1909, but decreased 39 per cent. from 1908.

II.

We have branches in the chief cities of the States of Washington, Oregon and California—in all of which there has been a revival in lumber, this being specially marked in the States of Washington and Oregon. The industry has been in a more or less stagnant condition in Washington since 1907, but now all the mills are running full time and the demand for cargo and rail shipments is unsurpassed. The quantity produced in this State during the year cannot be ascertained, but will, it is estimated, exceed that of 1911, the figures for which were 52,000,000 feet, including shingles. For logs and lumber the highest price on record in the State of Washington has been reached this year — \$2 to \$4 per 1000 feet b. m. higher than in 1911. The crop situation in Washington has been thoroughly satisfactory, the value of the product of all kinds, including grain, roots, etc., amounting to \$74,000,000 as against \$63,000,000 in 1911. The yield of hops has been larger but the gain has been offset by the lower prices obtained. Fruit has been an exceptionally heavy crop, but through lack of canning facilities the softer varieties have been largely wasted. Apple growers have done well throughout the State. Fruit lands have somewhat declined in value from former figures. The salmon pack has been a fair average for an off year in sockeyes, and the

prices of the cheaper grades have dropped, as mentioned in the remarks on the subject of salmon fishing in British Columbia. Shipping has been scarce and freights high—this condition prevailing all along the coast.

The exports from the State of Washington for the first eight months have exceeded those for the corresponding period of 1911 by 50%, and imports are 25% greater. The acreage under cultivation is about 6% larger than that of last year.

In Oregon there has been a steady increase in dry farming, which is gradually replacing cattle ranching, as the ranges are now being cut up for agricultural purposes. The wheat crop of the three States, Washington, Idaho and Oregon, amounted to 63,000,000 bushels, a reduction of 1,000,000 bushels as compared with 1911—prices being but little changed. As mentioned before, there is a difficulty in securing charters for exporting the crop. The demand for flour has not been equal to that of last year, as a result of the high freight charges and the policy of Oriental buyers in holding off for lower figures; competition from Australia has also affected this market. In barley and oats the product of this year was 32,000,000 bushels as against 37,000,000 bushels in 1911, and prices for both products have declined, oats last year bringing from \$30 to \$32 per ton as compared with \$25 this year, and barley \$33 as compared with \$26. The production of hops amounts to 110,000 bales—a gain of 10,000 bales over 1911, but the prices have, as indicated before, been lower. The pack of fish for 1912 was 70% of that of last year; the conditions of this industry have been described elsewhere. As a fruit producer Oregon is keeping to the front, the acreage planted being approximately the same as in 1911.

In California fruit packing continues to form an important industry. The figures for this year are not yet available, but should exceed 4,200,000 cases, to which

may be added 60,000 tons of raisins and 200,000 tons of other dried fruits. The weather conditions were not quite favourable in the early part of the season, but in spite of this the crop has exceeded expectations, packers are prosperous and good prices have been secured. The production of citrus fruits still continues to increase, a larger acreage being planted yearly. The wine production has fallen somewhat below the average of 45,000,000 gallons, owing mainly to crop conditions. Wheat production is steadily lessening in California, 200,000 tons having been harvested this year as compared with 350,000 tons in 1911, but the quantity of barley raised has been steadily though slowly increasing. The amount of petroleum produced will, it is expected, equal the very large quantity of last year, about 80 million barrels, the demand is steadily growing and its use as a fuel increases year by year. An improvement is evidenced in the lumber industry, in respect to both domestic and foreign shipments—those to Australia being the largest on record. The deposits in the banks at San Francisco have reached the surprisingly large figures of \$396,000,000. The annual value of the produce of the soil in this State, including oil and minerals, exceeds \$500,000,000.

In connection with the impending opening of the Panama Canal, active preparations are in progress for an exposition to be held at San Francisco in which twenty-one foreign countries have intimated their intention of participating, while California, through State and private contributions, will give towards the project over \$12,000,000.

In the Hawaiian Islands, which may be regarded as tributary to this State, about 600,000 tons of sugar will be produced this year, or about 50,000 tons more than the amount reported last year; the average prices for the two years are about the same. Next year a considerable reduction in the crop is expected, but the planters are in excellent shape financially, and it is believed that the lower out-

put will be more than offset by improved methods and the lessening of the cost of production.

MEXICO

Notwithstanding the disturbed political conditions which have continued to exist in Mexico during the past year, with their attendant interruptions to traffic and general business, the country's foreign trade returns reflect a quite remarkable activity. In last year's report attention was called to the fact that the exports for the period then under review had exceeded the previous high-water mark of 1905-6 by \$23,000,000, and we now have to record that for the fiscal year ending in June last the figures reached \$298,000,000 (Mexican currency) a still further, though trifling advance, of \$4,000,000. The imports, which are given as \$182,660,000 for the year, show a decrease of \$23,000,000 (or 11.28%) and are \$50,000,000 less than the record figures of 1906-7. This, however, is a natural condition under the circumstances, especially as the decline is largely confined to articles of luxury and wearing apparel.

In considering the export figures it must be borne in mind that while they are highly satisfactory under existing conditions the favourable showing is due largely to the phenomenal rise during the year in the prices of metals which form the country's chief item of export, amounting last year to \$186,000,000 out of a total of \$298,000,000, or 62.41% of the whole. For example it is estimated that the production of silver and copper, which are the metals most largely exported (apart from gold, the exports of which were last year valued at \$50,000,000) has declined since January last by about 10% and 20% respectively, while the relative prices have advanced during the same period by 20% and 40%. Lead, too, which comes next on the list, has increased in price during the year from £15 to £21 per ton, while the reduction in output is about 20%. In all instances therefore these

figures leave a substantial improvement in the value of the output in the face of a curtailed production.

The advances in the price of copper, lead and zinc are natural reflections of increased activity in manufacturing, etc., but with silver the situation is different, and since Mexico is the largest silver producing country in the world (contributing in the year 1911—87,000,000 ounces out of the reported total world production of 251,000,000 ounces—a trifle over 34%), she has a vital interest in the always fickle market for this commodity, and some attention is due to the factors which have been at work in bringing about the recent phenomenal rise in price. According to the London bullion reports the value of the combined stocks of bar silver in London, Shanghai and Bombay at the present time amounts to about £8,000,000 as against £6,500,000 at the beginning of March last, showing an increase of 20%. In the face of this the spot quotation has gradually advanced from $54\frac{5}{8}$ cents (U.S. cy.) per ounce at the beginning of January to as high as $64\frac{1}{8}$ cents in October—a rise of 20% as already mentioned—and the highest point touched since 1907, when for a very short period it went to 70 cents. The London Syndicate, which works in combination with the Indian Group, commenced accumulating the present stock two or three years ago at between 24 and 25 pence per ounce, which with interest and carrying charges now represents a cost of about 28 pence, and it is estimated that with the ascending prices which have ruled for subsequent purchases the present holdings would have to be sold at the equivalent of 60 cents or better to avoid loss. At the outset of these operations the probable reform of the Chinese currency was counted upon, but this of course has not taken place. Latterly the chief supporting influences have been the anticipated requirements of India and the effects of the prospective Chinese loan. The Indian Government, however, has been buying in small amounts

from private sources, while the Chinese loan has not been obtained in the expected quarter. The result of treating with others than the "Six Power Group" is that China cannot reasonably now expect that the Powers will agree to her raising import duties from 5% to 12½%, a proposition which would probably have been favourably entertained had she been willing to effect her loan through their intermediary. China counted on the enhanced revenue from these duties to meet the strain on her finances, but being for the present estranged from the "Six Power Group," and consequently unable to obtain permission to alter the treaty terms of taxation, the prospect of being in a position to buy silver on a large scale in the near future is not promising. It is therefore a question how long the prices now ruling for this metal can be maintained, and figuring on the present annual production of about 70,000,000 ounces in Mexico a drop to the price level of three years ago would mean a difference of about 15,000,000 pesos to the country.

Last year brief mention was made of the rapidly developing oil industry in Mexico, and this has now begun to assume proportions of such magnitude and is destined to be so far reaching in its effects on the world's commerce generally that it is worthy of closer attention.

The total investment in this industry is now upwards of \$80,000,000 gold, and its development has practically all taken place within the last five or six years. Broadly speaking the petroliferous zone has been found to extend for 250 miles along the Gulf Coast and 50 miles inland (12,500 square miles) with the port of Tampico near the centre. The present production (though many wells have been closed after testing, pending the development of transportation facilities) is conservatively stated at 214,000 bbls., of 42 gallons each, per diem. Not 10 per cent. of the wells drilled have failed to show oil and the average yield per well is 2,000 bbls. per day, a

42.56 bbls. in California, which is the largest of the American oil fields. It is true that the average yield is greatly increased by the production of a few very large wells, but these latter are situated many miles apart with innumerable "strikes" between, so that this average will probably be maintained as development progresses.

The world's total production in 1911 was 345,000,000 bbls. of 42 gallons, or 53,000,000 tons. The present potential production in Mexico is 78,110,000 bbls., and this from not more than a hundred wells. According to the latest figures to hand, Mexico has jumped from a production of 1.02% of the world's total in 1910 to a potential production during the present year equal to over 22½% of the total for 1911. This is second only to that of the United States and 8,000,000 bbls. more than Russia produced in 1910. In accomplishing this less than 1% of the proven oil area has been prospected, and the country has only to increase its production three-fold to become the largest producer in the world, a position which, with the same success as has been experienced in the past two years, she may very speedily attain and even then not have tapped one-twentieth of her petroliferous zone.

The chief difficulty in the way of this development lies in the lack of transportation facilities. The total number of oil tankers registered at Lloyds is below three hundred, whereas allowing for the present ratio of increase it is estimated that it will soon take three times that number to transport the oil supply of the Gulf Coast alone. In anticipation of this most of the shipyards in Europe are congested with tankers under construction.

Apart from its influence on manufacturing and land transportation, the chief significance of the development to which we have here referred lies in the simultaneous appearance of the Diesel internal combustion engine for crude oil, now proven beyond question to be the most economical motor known for marine service. This motor

has increased engine efficiency by delivering to the ship's screw twice the power for each unit of heat that was possible before its invention, and the apparently enormous quantities of oil which have been discovered to exist in Mexico make available the class of fuel required for its operation. These two factors coming immediately in advance of the opening of the Panama Canal cannot but have a most important effect upon the world's shipping and commerce.

The advantages of oil fuel to a navy are:—

1. The radius of action is more than doubled.
2. Vessels are enabled to attain maximum speed almost immediately.
3. The great saving of space formerly required for bunkers and boilers with the consequent reduction of dead weight.
4. Ability to replenish fuel at sea from oil transports.
5. The abolition of stoking, owing to the oil being fed mechanically.

When distribution and storage systems are perfected and the supply of oil is definitely assured every first class power will use this fuel in its navy. This alone will create an enormous market and the commodity will be in the unique position of steadying in price as production increases and the reserve supply becomes larger, so that the consumer may be justified in altering his equipment for the use of oil in place of coal.

GREAT BRITAIN

There has been no cessation during the year in the steady and remarkable advance which has been taking place in the trade of Great Britain. In spite of strikes, political unrest at home and abroad, and finally a state of war in the near east, the Board of Trade returns for the ten months ending October last show larger figures than ever before recorded in the history of this country. Further,

the outlook continues favourable, for the unfavourable crop returns at home have been offset by splendid harvests abroad, and the purchasing powers of this country's principal customers have been increased, with the exception of China, which is passing through a period of uncertain trade owing to political and financial troubles, as is evidenced by the decline in our exports of cotton goods, our main index of China's purchasing capacity.

This is the third successive year of expanding trade as will be seen from the figures quoted below:

10 months ending	Imports	Exports
October, 1910.....	£545,335,935	£442,709,135
" 1911.....	550,249,001	460,930,911
" 1912.....	599,947,503	495,581,239

The increase in the total value of our trade has been due in a measure to the advance which has taken place in the price of commodities. The index number published by the "Economist," though not at the highest point of the year, is still much higher than at any period during 1910 and 1911, as will be seen by the following comparison which is based on the average for the years 1901-5:

Average for 1901-5.....	2,200
" 1910.....	2,418
" 1911.....	2,550
1st quarter of 1912.....	2,690
2nd " 1912.....	2,712
3rd " 1912.....	2,728
End of October 1912.....	2,722

The burden of caring for this enormous increase of our trade as well as of financing the rapidly expanding harvests of those countries which look to this centre for assistance, is a heavy one and grows heavier each year. As a result the figures of the leading joint stock banks in London exhibit increases in every direction. The increased total of the acceptances is the evidence, to a certain extent, of the enormous advance in the volume and value of our imports:

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	Deposits	Acceptances, etc.
October, 1905.....	£374,647,984	£21,631,309
" 1909.....	449,888,061	27,194,234
" 1910.....	477,788,937	28,871,388
" 1911.....	504,483,204	29,630,017
" 1912.....	525,750,595	38,179,184
	Cash	Money at call
October, 1905.....	£58,296,834	£51,462,659
" 1909.....	69,315,079	63,959,850
" 1910.....	72,724,714	60,104,560
" 1911.....	77,311,294	64,653,215
" 1912.....	80,292,339	70,650,871

A portion of the increase in deposits is doubtless due to the absorption of certain country banks by London banks.

The figures of the Bankers' Clearing House are an additional indication of the increase in the volume of business transacted:

1910.....	£14,658,863,000
1911.....	14,613,877,000
1912 (11 months)	14,438,544,000

With so much activity and expansion in both the volume and the value of the business of the country it is not surprising that money has been in demand. Owing to the dull period during July and August and to the nervousness created by the war and rumours of complications which have caused bankers to keep themselves strong and to carry a larger amount of short money on hand, the average rate for short money during the past five months has not been so high as during the first half of the year, yet the margin of profit has been reasonably in favour of the banks. The discounting houses during the past few months have benefited enormously.

The following table of average rates may be of interest:

	Bank Rate	3 mos. Bill Rate	Market Rate for Short Money	Bankers' Deposit Rate
1909.....	£3 2 0	£2 5 7	£2 3 0	£1 12 0
1910.....	3 14 5	3 3 7	2 14 9	2 4 4
1911.....	3 9 4	2 18 5	2 6 8	1 19 4
1912 (3 months ending June) ..	3 9 1	3 5 5	3 0 7	1 19 1
1912 (3 months ending Nov.) ..	3 18 0	3 16 3	2 14 8	2 8 0

The movement of gold during the past ten months has apparently resulted in a gain to the reserves of the country at large, but the Bank of England is little if any stronger than last year. Imports of gold have been lower than for some years past owing to the absence of exports from the United States, in fact that country has taken gold on balance this year and apparently is in a position, due in a measure to the flow of capital to Canada from this country, to take more whenever conditions here are favourable. It is interesting here to note that in the articles which appear from time to time on the subject of the gold held by the various countries, seldom is any reference made to the relatively large amount of gold which is held in Canada. A remarkable feature in the movement of gold is the increasing amount which is annually imported and absorbed by India. If this continues to increase in volume it will become a serious factor in the not very distant future.

The following figures show the total gold imports and exports for some years past:

	Imports	Exports
1908.....	£46,145,314	£49,969,099
1909.....	54,691,829	47,249,536
1910.....	57,321,767	50,898,445
1911.....	48,693,753	40,100,540
1912 (10 months) ..	41,884,763	37,222,996

There have been very considerable fluctuations in the prices of securities during the past eleven months and Consols have established a new low record during the period. The prices of all stocks suffered in October, but

with the prospects of an early settlement of the Balkan war substantial recoveries have taken place, especially in all gilt-edged securities, assisted, we understand, by purchases on account of the National Insurance Fund. Canadian provincial and municipal issues have been dull and heavy, however, owing to the knowledge that large offerings of this class of security are likely to be made in the near future.

The following figures show the movement which has taken place during the past few years in the stock exchange value of 387 representative stocks as published by the Bankers Magazine:—

December 1909.....	£3,711,000,000
December 1910.....	3,635,000,000
December 1911.....	3,611,000,000
May 1912.....	3,614,000,000
October 1912.....	3,535,000,000
November 1912.....	3,557,000,000

Considering the record breaking figures of 1910 and 1911, the volume of new capital issues has been well maintained for the year, despite the coal strike and the check administered by the international political situation during the past two months. The total issues for 1910 amounted to £247,000,000 and for 1911 to £196,000,000, whereas for the first eleven months of 1912 they amounted to £200,000,000; and the figures undoubtedly would have been much larger had it not been for the trouble in the near east, many loans having been held back owing to unfavourable conditions, the difficulty of getting them underwritten at a reasonable price, and the congested condition of the market. This is evident by the fact that whereas during the first half of 1912 new issues amounted to over £110,000,000, during the next five months the total fell to £90,000,000, and this includes the Canadian Pacific Railway issue of new shares, amounting

THE CANADIAN BANK OF COMMERCE

to £21,375,000, which was not dependent on market conditions here.

The following statement shows the destination of the capital offered for subscription in the United Kingdom during the first eleven months of the years stated:

	1912	1911	1910
United Kingdom....	£48,181,922	£30,229,689	£41,089,291
India and Ceylon....	3,810,320	5,244,165	14,675,503
Canada.....	44,977,500	28,426,400	34,656,128
British Possessions..	9,154,428	18,323,043	31,920,488
Foreign Countries...	94,076,028	94,138,417	104,660,998
	£200,200,198	£176,361,714	£227,002,408

That Canada has continued to enjoy first place in the favour of the British investor is evident, her share of the total in 1912 being the largest of any year, and ranking ahead of that of any other country, although the United States, as usual, is a close competitor.

Owing to the fact that a considerable proportion of the large issues during the year has been left on the hands of the underwriters, the market is full of undigested securities, and with increasing applications for fresh capital from all the producing countries of the world, the competition each year grows keener, with the result that the price of capital is rising all round. This is borne out, not only by the fall in the prices of existing quoted securities, but also by the terms of recent issues of full trustee securities, which yield the investor slightly over 4% per annum.

The coming year does not hold out much prospect of any improvement taking place from the point of view of the borrower, for even if European politics are settled in a satisfactory manner the demand for new capital by the newly risen states in the Balkans will add to the burden under which the money market is labouring at the present time. Further, Canadian provincial governments and municipalities are responsible for over £7,000,000 of short

loans or Treasury Bills afloat in this market, all of which will have to be funded in the next twelve or eighteen months. The outlook accordingly, apart from political conditions at home and abroad, is not a happy one for the borrower, for with active trade and prices of commodities maintaining a high level, money is in demand from all parts of the world, and there appears every reason to believe that securities will have to be issued at much lower prices in order to attract the investor. One favourable feature, however, which should help to maintain the prices of gilt-edged securities, is the fact that the enormous sum to be collected on account of the National Insurance Fund will have to be invested. The annual collection, it is estimated, will amount to about £20,000,000, a large portion of which will be invested in trustee securities, and in this connection it is to be hoped that the securities of the Canadian provinces will be included in the list of those approved by the Insurance Commissioners.





TABER, ALTA.

THE CANADIAN BANK
OF COMMERCE



ANNUAL REPORT

29TH NOVEMBER, 1913



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP \$15,000,000
REST 13,500,000

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SUPERVISOR OF BANK PREMISES - - - - Duncan Donald

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COMOX	Sub-Agency to Cumberland	Open for business Tuesday
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"	Do. WEST SIDE	W. H. DAWSON	"
"	SHAUNAVON, SASK.	H. CAMERON	Act. Mgr.
"	SHELLBROOK, SASK.	W. P. REYNOLDS	Manager
"	STAVELY, ALTA.	R. C. HAYWARD	"
"	STONY PLAIN, ALTA.	R. ROBERTS	Act. Mgr.
"	STRATHMORE, ALTA.	C. G. LEWIS.	"
Pro Mgr.	SWAN RIVER, MAN.	G. H. WINSTANLEY	Manager
Manager	SWIFT CURRENT, SASK.	W. J. SAVAGE	"
Pro Mgr.	TABER, ALTA.	GEO. E. EWING.	"
Pro Mgr.	THE PAS, MAN.	T. S. LEITCH	"

BRANCHES—Continued

TILLEY, ALTA.	A. H. MUNROE	Pro Mgr.
TRANSCONA, MAN.	E. W. BASSETT	Manager
TREHERNE, MAN.	H. L. WRTHY	"
TUGASKE, SASK.	C. S. FREEMAN	"
VEGREVILLE, ALTA.	J. H. S. GORDON	"
VERMILION, ALTA.	A. J. REYNOLDS	"
VIRDEN, MAN.	F. C. BIGGAR	"
VONDA, SASK.	H. O. GUDGIN	"
VULCAN, ALTA.	A. W. PENTLAND	"
WADENA, SASK.	F. A. CHAPMAN	"
WARNER, ALTA.	A. J. BURNSIDE	"
WATROUS, SASK.	J. H. DENT	"
WATSON, SASK.	R. P. FINDLAY	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. F. TURNER	"
WILCOX, SASK.	H. J. WHITE	"
WILLOW BUNCH, SASK.	WM. KIDD	"
WINNIPEG, MAN.	C. W. ROWLEY	"
Do. ALEXANDER AVE.	C. GORDON	Asst. Mgr.
Do. BLAKE STREET	R. E. N. JONES	Manager
Do. ELMWOOD	D. H. TOLMIE	"
Do. FORT ROUGE	HEDLEY HILL	"
Do. KELVIN STREET	D. H. TOLMIE	"
Do. NORTH	C. F. A. GREGORY	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
WISETON, SASK.	J. V. STEEL	Act. Mgr.
YELLOWGRASS, SASK.	H. G. HUURLBURT	Manager
YORKTON, SASK.	H. L. EDMONDS	"
YOUNGSTOWN, ALTA.	D. THOMSON	"

ONTARIO—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	H. W. FITTON	"
BROCKVILLE	W. H. COLLINS	"
CAYUGA	C. D. NEVILL	"
CHATHAM	J. SIMON	"
COBALT	H. G. MATHEWSON	"
COLLINGWOOD	H. C. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	A. E. KUHN	"
DRESDEN	R. H. EDMONDS	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	G. L. WAUGH	"
FOREST	W. J. F. ROSS	"
FORT FRANCES	J. T. BEATTIE	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	G. WILLIAMS	"

BRANCHES—Continued

Pro Mgr. Manager	GOWGANDA	A. Y. SNIDER	Manager
"	GUELPH	J. M. DUFF	"
"	HAMILTON	D. B. DEWAR	"
"	INGERSOLL	W. C. JOHNSTON	"
"	KINGSTON	P. C. STEVENSON	"
"	LINDSAY	H. A. HOLMES	"
"	LONDON	JEFFERY HALE	"
"	NIAGARA FALLS	C. BALLARD	"
"	ORANGEVILLE	R. H. NEILSON	"
"	OSHAWA	H. H. HYLAND	"
"	OTTAWA	C. CAMBIE	"
"	Do. BANK STREET	C. R. ARMSTRONG	"
"	PARIS	D. H. DOWNIE	"
"	PARKHILL	T. L. ROGERS	"
"	PARRY SOUND	J. WALTON	"
"	PETERBORO	W. H. DUNSFORD	"
Asst. Mgr. Manager	PORT ARTHUR	A. W. ROBERTS	"
"	PORT COLBORNE	W. H. PAGET	"
"	PORT McNICOLL	J. P. TAILLON	Pro Mgr. Manager
"	PORT PERRY	J. McE. MURRAY	"
"	PORT STANLEY	H. E. TYLOR	"
"	RAINY RIVER	H. W. GRAHAM	"
"	ST. CATHARINES	R. G. W. CONOLLY	"
"	ST. THOMAS	H. E. TYLOR	"
Asst. Mgr. Manager	SARNIA	J. L. BUCHAN	"
"	SAULT STE. MARIE	A. D. McLEAN	"
"	Do. WEST END		"
"	SEAFORTH	W. C. T. MORSON	"
"	SIMCOE	W. C. J. KING	"
"	SMITH'S FALLS	R. M. WATSON	"
"	SOUTH PORCUPINE	W. G. WHITESIDE	"
"	STRATFORD	R. T. MUSSEN	"
"	STRATHROY	L. H. DAMPIER	"
"	SUDBURY	D. DAVIES	"
"	THEDFORD	J. FULLER	"
"	TILLSONBURG	J. R. HARRISON	"
"	TORONTO	D. A. CAMERON	"
"		E. P. GOWER	Asst. Mgr. Manager
"	Do. BLOOR AND DUFFERIN	A. S. HOUSTON	"
"	Do. BLOOR AND YONGE	JAMES BRYDON	"
"	Do. COLLEGE & DOVERCOURT	E. C. PRINGLE	"
"	Do. DANFORTH & BROADVIEW	W. C. JAMES	"
"	Do. EARLSCOURT	C. E. JOHNSON	"
"	Do. GERRARD AND PAPE	N. St. B. YOUNG	"
"	Do. MARKET	T. A. CHISHOLM	"
"	Do. PARKDALE	W. A. COOKE	"
"	Do. PARLIAMENT STREET	A. H. CREASE	"
"	Do. QUEEN AND BATHURST	H. POLSON	"
"	Do. QUEEN EAST	P. P. JOHNSTON	"
"	Do. SPADINA AND COLLEGE	H. F. D. SEWELL	"
"	Do. WEST TORONTO	J. B. McCUAIG	"
"	Do. YONGE AND COLLEGE	G. C. T. PEMBERTON	"
"	Do. YONGE AND QUEEN	H. C. RAE	"

BRANCHES—Continued

WALKERTON	H. M. AY	Manager
WALKERVILLE	H. B. IARSONS	"
WATERLOO	F. W. DE MILLE	"
WIARTON	A. E. JACKSON	"
WINDSOR	A. E. TAYLER	"
WINGHAM	E. B. WALKER	"
WOODSTOCK	G. A. HOLLAND	"

SUB-AGENCY

CAMLACHIE	Sub-Agency to Forest	Open for business Tues. & Thur.
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QUEBEC—

ACTON VALE	E. R. TANNER	Manager
ASBESTOS	J. H. DOAK	"
AYER'S CLIFF	F. A. JOHNSTON	"
EEDFORD	A. S. MCCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	A. M. BRODEUR	"
BISHOP'S CROSSING	D. H. PARMELEE	"
CHAMBLY	J. C. R. MARCHAND	"
CLARENCEVILLE	J. I. MCCABE	"
COATICOOK	L. M. THOMAS	"
COOKSHIRE	W. E. LEARNED	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
DUNHAM	H. F. WILLIAMS	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	C. W. H. LEY	"
FARNHAM	G. C. NIGHT	"
FRASERVILLE	A. G.	"
FRELIGHSBURG	F. D. DIE	"
GRANBY	A. C. SMITH	"
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	N. H. SLACK	"
HUNTINGDON	C. W. THOMAS	"
IBERVILLE	E. MCCARTHY	Act. Mgr.
JOLIETTE	H. E. GREEN	Manager
KNOWLTON	J. M. O'HALLORAN	"
LACOLLE	G. A. MITCHELL	Act. Mgr.
LENNOXVILLE	H. A. C. SCARTH	Manager
MAGOG	A. W. WATSON	"
MANSONVILLE	K. R. TURNER	"
MARBLETON	H. E. TEMPLE	"
MARIEVILLE	J. C. R. MARCHAND	"
MEGANTIC	G. M. THOMPSON	"
MONTREAL	H. B. WALKER	Asst. Mgr.
	W. LEGGAT	
	M. A. MACFARLANE	

Do. CRESCENT & ST. CATHERINE

BRANCHES—Continued

MONTREAL—MAISONNEUVE	E. H. CARTER	Manager
Do. PRINCE ARTHUR AND PARK	J. B. BEACH	"
Do. ST. CATHERINE & CITY HALL	W. E. MOREHOUSE	"
Do. ST. CATHERINE AND MET- CALFE	D. McLENNAN	"
Do. ST. DENIS AND DULUTH	J. R. BOIVIN	"
NICOLET	E. DUMOULIN	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	N. H. SLACK	"
POINT AUX TREMBLES	S. A. FORBES	"
QUEBEC	A. L. HAMILTON	"
Do. UPPER TOWN	G. L. DOAK	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	SIDNEY STEVENS	"
ROXTON FALLS	J. M. RENÉ L. COTRÉT	Pro Mgr.
ST. CHRYSOSTOME	N. H. SLACK	Manager
ST. FELIX DE VALOIS	J. A. PARENT	"
ST. FERDINAND D'HALIFAX	A. E. WARD	"
ST. GABRIEL DE BRANDON	P. L. McCABE	"
ST. GEORGE, BEAUCE	C. A. TUCKER	"
ST. HYACINTHE	J. LAFRAMBOISE	"
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	A. L. DESSERT	"
ST. REMI	J. A. ROY	"
SCOTSTOWN	C. E. SOLES	"
SHERBROOKE	E. W. FARWELL	"
Do. UPPER TOWN	A. P. TAYLOR	Asst. Mgr.
Do. WELLINGTON ST.	N. F. DINNING	Act. Mgr.
STANBRIDGE EAST	F. A. BRIGGS	Manager
SUTTON	T. W. JUDD	"
THETFORD MINES	R. P. BUZZELL	"
THREE RIVERS	L. P. BISHOP	"
VALCOURT	E. W. MORGAN	"
WATERLOO	L. P. BOURGOING	"
WATERVILLE	J. E. THOMPSON	"
WEEDON	J. T. THOMAS	"
WEST SHEFFORD	H. E. TEMPLE	"
WINDSOR MILLS	F. E. KERRIDGE	"
	K. G. NOURSE	"

SUB-AGENCIES

	Sub-Agency to	Open for Business
BIC	Rimouski	Daily
BROME	Knowlton	Tues. and Fri.
BROMPTONVILLE	Sherbrooke	Mon., Wed. and Fri.
DIXVILLE	Coaticook	Friday
EAST HATLEY	Ayer's Cliff	Tues., 10 to 12.
FOSTER	Knowlton	Mon. and Thurs.
PHILIPSBURG	Bedford	Mon. and Thurs., 2 to 4
ST. ARMAND STATION	Bedford	Mon. and Thurs., 12 to 12
STANSTEAD	Rock Island	Daily
THETFORD MINES WEST	Thetford Mines	Daily

BRANCHES—Continued

MARITIME PROVINCES—

ALBERTON, P.E.I.	W. C. LAWSON	Man
AMHERST, N.S.	R. C. MACPIERSON	
ANTIGONISH, N.S.	W. H. HARRISON	
BARRINGTON, N.S.	F. W. HOMER	
BATH, N.B.	W. T. GERALD	
BRIDGEWATER, N.S.	T. W. MAGEE	
BRISTOL, N.B.	W. T. GERALD	
CAMPBELLTON, N.B.	E. B. FAIRBANKS	
CHARLOTTETOWN, P.E.I.	J. H. McQUAID	
FREDERICTON, N.B.	G. W. HARRISON	
HALIFAX, N.S.	D. MACGILLIVRAY	
MIDDLETON, N.S.	C. N. ROOP	
MONCTON, N.B.	W. H. LUGSDIN	
MONTAGUE, P.E.I.	L. H. COFFIN	
NEW GLASGOW, N.S.	B. DE VEEER	
PARRSBORO, N.S.	R. M. McCAUL	
ST. JOHN, N.B.	C. W. HALLAMORE	
Do. WEST	J. L. CLAXTON	
SHELBURNE, N.S.	C. F. WORRELL	
SOURIS, P.E.I.	J. D. BURPEE	
SPRINGHILL, N.S.	G. SHEARER	
SUMMERSIDE, P.E.I.	C. HENSLEY	
SYDNEY, N.S.	E. B. IRELAND	
TRURO, N.S.	C. W. MONTGOMERY	
WINDSOR, N.S.	J. A. RUSSELL	

NEWFOUNDLAND—

ST. JOHN'S	S. H. LOGAN	Manager
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UNITED STATES—

NEW YORK, N.Y.	{ Wm. Gray	} Agents
PORTLAND, ORE.	{ H. P. SCHELL	
SAN FRANCISCO, CAL.	F. C. MALPAS	Manager
SEATTLE, WASH.	G. W. B. HEATHCOTE	"
	G. V. HOLT	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.	
H. V. F. JONES	Manager
A. R. PHIPPS	Asst. Mgr.

MEXICO—

MEXICO, Avenida San Francisco No. 50	
J. P. BELL	Manager
D. MUIRHEAD	Asst. Mgr.



BANKERS AND CHIEF CORRESPONDENTS

- LONDON BANKERS—**
Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; London and South Western Bank, Ltd.
- ENGLAND—**
Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.
- SCOTLAND—**
Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.
- IRELAND—**
Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.; Belfast Banking Co., Ltd.
- UNITED STATES—**
NEW YORK—American Exchange National Bank; Chase National Bank.
ALBANY—New York State National Bank.
BALTIMORE—Citizens National Bank.
BOSTON—National Shawmut Bank; Second National Bank; First National Bank.
BUFFALO—Citizens Bank of Buffalo; Manufacturers and Traders National Bank.
CHICAGO—First National Bank; National City Bank; Northern Trust Company.
CLEVELAND—First National Bank.
DENVER—Denver National Bank; Colorado National Bank.
DETROIT—First National Bank.
LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.
MILWAUKEE—Wisconsin National Bank.
MINNEAPOLIS—Northwestern National Bank; First National Bank.
NEW YORK—Commercial National Bank.
PHILADELPHIA—Grant National Bank; Franklin National Bank.
PITTSBURGH—Pellon National Bank.
ST. LOUIS—Mechanics-American National Bank.
ST. PAUL—The Merchants National Bank.
SALT LAKE CITY—Deseret National Bank.
SPOKANE—Traders National Bank.
TACOMA—Bank of California National Association; National Bank of Commerce.
- AUSTRIA—**
Anglo-Austrian Bank.
- BELGIUM—**
Banque d'Anvers, Antwerp; Banque Internationale de Bruxelles, Brussels.
- DENMARK—**
Den Danske Landmandsbank, Copenhagen.
- FRANCE—**
Credit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.
- GERMANY—**
Deutsche Bank; Direction der Disconto-Gesellschaft.
- HOLLAND—**
Twentsche Bankvereeniging, Amsterdam; Disconto Maatschappij, Rotterdam.
- ITALY—**
Banca Commerciale Italiana.
- NORWAY—**
Centralbanken for Norge, Christiania.
- SWEDEN—**
Skandinaviska Kreditaktiebolaget, Stockholm.
- SWITZERLAND—**
Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.
- INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—**
Chartered Bank of India, Australia and China, Hong Kong and Shanghai Banking Corporation.
- SOUTH AFRICA—**
Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.
- AUSTRALIA AND NEW ZEALAND—**
Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.; English Scottish and Australian Bank, Ltd.
- HAWAIIAN ISLANDS—**
First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.
- SOUTH AMERICA—**
British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.
- WEST INDIES—**
Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.
- BERMUDA—**
Bank of Bermuda, Ltd., Hamilton.

THE CANADIAN BANK OF COMMERCE

[For the convenience of Shareholders on the London Register,
Profit and Loss Account and the Balance Sheet are here
given in Sterling, at the par of Exchange.]

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 29TH NOVEMBER, 1913

Balance at credit of Profit and Loss Account, brought forward from last year	£ 158,543 12
Net profits for the year ending 29th November, after providing for all bad and doubtful debts...	614,989 19
	<hr/>
	£ 773,533 11

This has been appropriated as follows:

Dividends Nos. 104, 105, 106 and 107, at ten per cent. per annum.....	£ 308,219 3
Bonus of one per cent. payable 1st June.....	30,821 18
Bonus of one per cent. payable 1st December. .	30,821 18
Written off Bank Premises.....	102,739 14
Transferred to Pension Fund (annual contribution)	16,438 7
Transferred to Rest Account.....	205,479 9
Balance carried forward.....	79,013 0
	<hr/>
	£ 773,533 11

GENERAL STATEMENT

29TH NOVEMBER, 1913

LIABILITIES

Notes of the Bank in circulation.....	£ 3,214,299	5	8
Deposits not bearing interest. £10,848,946	8	2	
Deposits bearing interest, including interest accrued to date 28,770,310	3	0	
Balances due to other Banks in Canada.....	39,619,256	11	2
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	130,117	4	4
Bills payable.....	2,069,448	12	9
Acceptances under Letters of Credit.....	1,955,298	16	8
	398,947	8	8
Dividends unpaid.....	£47,387,367	19	3
Dividend No. 107 and bonus, payable 1st December	547	18	2
Capital paid up..... £3,082,191	15	8	
Rest.....	2,773,972	12	1
Balance of Profit and Loss			
Account carried forward...	79,013	0	3
	5,935,177	8	0
	<u>£53,430,969</u>	<u>19</u>	<u>8</u>

ASSETS

Current Coin and Bullion....	£ 1,968,385	0	0
Dominion Notes.....	4,281,407	7	4
Balances due by Banks and Banking Correspondents elsewhere than in Canada... £	1,414,654	13	10
Balances due by other Banks in Canada.....	4,545	14	3
Notes of other Banks.....	638,266	8	9
Cheques on other Banks.....	1,318,854	9	7
Call and Short Loans in Canada on Bonds, Debentures and Stocks.....	3,376,321	6	5
Call and Short Loans elsewhere than in Canada..	1,974,770	11	4
Dominion and Provincial Government Securities..	3,319,389	3	6
British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....	7,05740	15	4
Railway and other Bonds, Debentures and Stocks	499,723	18	3
Deposit with the Minister for the purposes of the Circulation Fund.....	3,717,374	16	1
	151,746	11	6
Other Current Loans and Discounts in Canada (less rebate of interest).....	£19,994,859	9	9
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	28,042,782	10	0
Overdue Debts (estimated loss provided for)....	3,719,592	3	0
Real Estate (including the unsold balance of former premises of the Eastern Townships Bank).....	100,182	9	7
Mortgages on Real Estate sold by the Bank.....	201,352	10	6
Bank Premises.....	89,097	7	10
Other Assets.....	879,756	9	10
Liabilities of customers under Letters of Credit, as per contra.....	4,399	10	6
	398,947	8	8
	<u>£53,430,969</u>	<u>19</u>	<u>8</u>

B. E. WALKER, President
Z. A. LASH, Vice-President

ALEXANDER LAIRD,
General Manager

GENERAL STATEMENT

29TH NOVEMBER, 1913

LIABILITIES

Notes of the Bank in circulation.....	\$		15,642,923
Deposits not bearing interest. \$		52,798,205 84	
Deposits bearing interest, including interest accrued to date.....		140,015,509 40	192,813,715
Balances due to other Banks in Canada.....			633,237
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....			10,071,316
Bills payable.....			9,515,787
Acceptances under Letters of Credit.....			1,941,544
	\$		230,618,524
Dividends unpaid.....			2,666
Dividend No. 107 and bonus, payable 1st December			525,000
Capital paid up.....	\$	15,000,000 00	
Rest.....		13,500,000 00	
Balance of Profit and Loss			
Account carried forward...		384,529 98	28,884,529
	\$		260,030,720

ASSETS

Current Coin and Bullion....	\$	9,579,473 66	
Dominion Notes.....		20,836,182 50	\$ 30,415,656
Balances due by Banks and Banking Correspondents elsewhere than in Canada..	\$	6,884,652 83	
Balances due by other Banks in Canada.....		22,122 47	
Notes of other Banks.....		3,106,230 00	
Cheques on other Banks.....		6,418,425 14	16,431,430
Call and Short Loans in Canada on Bonds, Debentures and Stocks.....			9,610,550
Call and short Loans elsewhere than in Canada..			10,154,360
Dominion and Provincial Government Securities			3,434,605
British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....			2,431,989
Railway and other Bonds, Debentures and Stocks.			18,091,224
Deposit with the Minister for the purposes of the Circulation Fund.....			738,500
	\$		97,308,316
Other Current Loans and Discounts in Canada (less rebate of interest).....			136,474,874
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....			18,102,015
Overdue Debts (estimated loss provided for).....			487,554
Real Estate (including the unsold balance of former premises of the Eastern Townships Bank).....			979,915
Mortgages on Real Estate sold by the Bank.....			433,607
Bank Premises.....			4,281,481
Other Assets.....			21,411
Liabilities of customers under Letters of Credit, as per contra.....			1,941,544
	\$		260,030,720

B. E. WALKER, President
Z. A. LASH, Vice-President

ALEXANDER LAIRD,
General Manager

15,642,923 18

02,813,715 24
633,237 12

10,071,316 73
9,515,787 65
1,941,544 19
30,618,524 11
2,666 48
525,000 00

28,884,529 98
30,030,720 57

30,415,656 16

16,431,430 44
9,610,550 08
16,154,360 65
3,434,605 06

2,431,989 71
18,991,224 04

738,500 00
97,308,316 14

36,474,874 82
18,102,015 15
487,554 72

979,915 61
433,607 32
4,281,481 60
21,411 02

1,941,544 19
30,030,720 57

AIRD,
General Manager

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 13TH JANUARY, 1914

The forty-seventh Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 13th January, 1914, at 12 o'clock.

Among those present were:—

E. Cronyn, Lt.-Col. J. A. Currie, J. E. McAllister, J. Hedley, S. R. Wickett, J. O. Thorn, J. N. Shenstone, W. S. Hodgens, Col. W. C. Macdonald, F. H. Gooch, R. Cassels, H. Vigeon, Avern Pardoe, Jr., Col. A. D. Davidson, Col. A. D. McRae, George Howe, William Davidson, K.C., Trumbull Warren, N. H. Beemer, M.D., Dr. Grasett, Dr. R. M. Bateman, Col. Michie, Z. A. Lash, K.C., Thomas Gilmour, A.T. Reid, R. C. Jennings, William Crocker, W. E. Rundle, A. E. Ames, E. J. B. Duncan, H. W. Mickle, Rev. Daniel Strachan, H. H. Fudger, T. A. Russell, George Murray, F. A. Mouré, Sir J. M. Gibson, K.C.M.G., E. R. Wood, Dr. R. A. Falconer, Victor Ross, John Appleton, Aemilius Jarvis, James Watt, Rev. J. B. Saer, J. Short McMaster, W. T. Kernahan, J. W. Flavelle, Thomas Findley, E. M. Saunders, E. Roach, W. H. Grant, G. Frank Beer, R. Mulholland, F. P. Wood, James Wood, Sir Lyman Melvin Jones, A. J. Helliwell, C. P. Powell, Sir John S. Willison, David T. Symons, K.C., J. J. Ashworth, F. D. L. Smith, F. Rolph, Major Keefer, William Dineen, W. H. L. Gordon, T. H. Plummer,

H. L. Wethey, Treherne; H. J. Fuller, Montreal;
H. J. Neale, Melfort; F. J. D. Smith, Newtonbrook;
H. P. Schell, New York; A. D. McLean, Sault Ste. Marie;
W. T. White, Cumberland; W. H. Harrison, Antigonish;
H. M. Lay, Walkerton; C. M. Gipton, St. Catharines;
H. A. Holmes, Lindsay; J. T. Beattie, Fort Frances;
P. J. White, Lindsay; Sir Douglas Cameron, Winnipeg;
A. J. Maynard, Lloydminster; C. G. K. Nourse, Calgary;
R. N. Shaw, Herbert; J. C. R. Marchand, Marieville;
A. Guay, Fraserville; William Cook, Richmond Hill;
W. H. Collins, Brockville; Jeffery Hale, London, Ont.;
J. H. Doak, Danville; W. Hilborn, North Battleford;
B. P. Alley, Winnipeg; H. G. Hurlburt, Yellowgrass;
William Spier, Sherbrooke; William Leggat, Kingston;
H. B. Walker, Montreal; Gardner Stevens, Waterloo, Que.;
C. W. Rowley, Winnipeg; William Murray, Vancouver;
W. A. Murray, Montreal; R. H. Neilson, Orangeville;
V. C. Brown, Winnipeg; William Farwell, Sherbrooke;
G. V. Holt, Seattle; J. A. Forster, North Vancouver;
L. A. S. Dack, Fernie; C. W. Durrant, East Vancouver;
J. B. Corbet, Winnipeg; E. B. Fairbanks, Campbellton;
G. W. Allan, Winnipeg; E. A. Fox, Prince Albert;
A. Kingman, Montreal; L. P. Bishop, Thetford Mines;
Robert Stuart, Chicago; R. M. Breckenridge, Waterdown;
W. E. Learned, Cookshire; R. C. Macpherson, Amherst;
A. F. Turner, Weyburn; F. W. de Mille, Waterloo, Ont.;
C. W. Colby, Montreal; W. G. Hamilton, Carmangay;
H. C. Morris, Dawson; H. E. Tylor, St. Thomas;
John Leggat, Hamilton; G. A. Holland, Warton;
W. F. McAdie, Oshawa; J. M. O'Halloran, Knowlton;
G. G. Foster, K.C., Montreal; S. Stevens, Rock Island;
E. H. Bird, Nanaimo; E. W. Farwell, Sherbrooke;
D. Davies, Sudbury; F. A. Briggs, Sherbrooke;
L. G. Crozier, Ponoka; G. C. Boright, Farnham;
A. L. Jensen, Canora; D. Clarkson, Claresholm;
G. E. Ewing, Taber; G. F. Galt, Winnipeg.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. Aemilius Jarvis and Edward Cronyn were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors beg to present to the Shareholders the forty-seventh Annual Report, covering the year ending 29th November, 1913, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 771,578 88
The net profits for the year ending 29th November, after providing for all bad and doubtful debts, amounted to.....	2,992,951 10
	<u>\$ 3,764,529 98</u>

This has been appropriated as follows:

Dividends Nos. 104, 105, 106 and 107, at ten per cent. per annum.....	\$ 1,500,000 00
Bonus of one per cent. payable 1st June.	150,000 00
Bonus of one per cent. payable 1st December.....	150,000 00
Written off Bank Premises.....	500,000 00
Transferred to Pension Fund (annual contribution).....	80,000 00
Transferred to Rest Account.....	1,000,000 00
Balance carried forward.....	384,529 98
	<u>\$ 3,764,529 98</u>

In accordance with our usual practice the assets of the Bank have again been carefully revalued and ample provision made for all bad and doubtful debts.

The following branches were opened during the year: In *British Columbia*: Comox, Courtenay, Pandora and Cook (Victoria), and Parksville; in *Alberta*: Highland, Monitor, Peace River Crossing and Retlaw; in *Saskatchewan*: Kincaid, Readlyn, Shaunavon and Wiseton; in *Manitoba*: Kelvin Street (Winnipeg); in *Ontario*: Oshawa and Port McNicoll; in *Quebec*: Upper Town (Quebec), and in *New Brunswick*: Campbellton, Moncton and West St. John.

The sub-agencies mentioned below have been made independent branches:

Asbestos, Chambly, Clarenceville, Dunham, Iberville, Lacolle, Roxton Falls, Stanbridge East and Uppertown (Sherbrooke), all in the Province of Quebec.

The branches at Stewart, B.C., Black Lake, Que., and St. Elizabeth, Que., have been closed and the business of the branch at 367 Main Street South, Winnipeg, has been transferred to the main office in Winnipeg. The business of the sub-agencies at Naramata, B.C., Beloeil Station, Henryville, Lawrenceville, St. Philippe de La Prairie, St. Sebastien, Sweetsburg and Upton, all in the Province of Quebec, has been transferred to their respective parent branches. Since the close of the year branches have been opened at St. Denis and Duluth (Montreal), Bath, N.B., and Bristol, N.B.

Due notice has been received of the intention to nominate Mr. T. Harry Webb of Messrs. Webb, Read, Hegan, Callingham & Co., Montreal and Winnipeg, and Mr. James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Co., Montreal, as auditors of this Bank under the provisions of sub-section 10 of section 56 of the Bank Act.

The branches and agencies of the Bank in Canada, the United States, Great Britain, Newfoundland and Mexico and the departments of the Head Office have undergone the usual thorough inspection during the year.

The Directors wish again to express their appreciation of the efficiency and zeal shown by the officers of the Bank in the performance of their duties.

ALEXANDER LAIRD,
General Manager.

B. E. WALKER, President.
Z. A. LASH, Vice-President.

TORONTO, 13th January, 1914.

Before moving the adoption of the Report, the President called upon the General Manager to address the shareholders:

GENERAL MANAGER'S ADDRESS

We have closed our accounts for the past year and have great pleasure and satisfaction in presenting you with a statement of the results of the Bank's business, which you will realize is the best record in its history, and should be a source of gratification to the shareholders and those actively engaged in its administration.

There was enough difficulty and perplexity in the general financial situation at the close of 1912 to make us apprehensive at the beginning of the past year. Canadians had some reason to hope for an early return to normal conditions, but were doomed to disappointment, and the continuance of the unfavourable influences then evident, and the aggravation of some of their worst features has made the history of 1913 memorable in the annals of international trade. While the year has been full of anxiety and much actual strain, there is cause for congratulation that, notwithstanding the long-deferred arrival of peace in continental Europe, the uncertainty as to how the adjustment of immense war expenditures will be made, and the distressing delay in bringing order out of chaos in unfortunate Mexico, the general position of financial credit has, on the whole, been fairly well maintained. In our own country we were seriously disturbed lest we should have a failure of the crops, as this would certainly have added to our difficulties; but we were fortunate in securing an abundant harvest of excellent quality. This was marketed with extraordinary celerity and realized good values, which enabled us to make a substantial measure of liquidation of our debts and largely increase our cash capital. Canada is so closely allied with and influenced by the movements of our

neighbours to the south, that there was great satisfaction when the radical and important measures initiated under the recent change of administration were brought to a successful conclusion without any serious disturbance in financial affairs. Taken as a whole, and keeping in mind all the adverse conditions, the past year has been marked by astonishing evidence of strength to meet great emergencies.

You will readily see from the statements included in the Report of the Directors that the Bank has had another satisfactory year in the matter of profits. After a very careful re-valuation of our assets, making liberal allowances for depreciation in securities, and providing for all bad and doubtful debts, you will be pleased to know that the Directors remembered the staff, to whose faithful and zealous efforts our success is largely due. Before closing the books a substantial sum was set aside out of the year's earnings and distributed as a bonus, leaving the declared net profits \$2,992,951.10, being 10.88% on the Capital and Rest combined. We were enabled to pay dividends amounting to \$1,800,000, including the usual dividend at the rate of 10% per annum, and extra bonus dividends of 2% for the year; and we have reason to hope that we shall maintain this rate until the Rest equals the Capital, and thereafter make the permanent basis 12%, with whatever advantage may come with extra good fortune.

In our last report the urgent necessity for providing an extension of the Head Office and Toronto Branch premises was referred to; and arrangements have since had to be made for the temporary accommodation of some departments of the Bank outside the present building. We are now pleased to say that we have purchased the two properties adjoining, and will proceed to consider plans, although we do not expect to make much progress towards altering or erecting a building for two or three years. We have acquired property in Windsor, Ont., where a suitable

office building will be erected during the coming year, and are also engaged in planning the erection of an adequate building in the City of Quebec. In both these places it was absolutely necessary to provide for our growing business. Bank Premises account now stands at \$4,281,481.60, and in this connection we would direct your attention to the item of \$979,915.61 in the statement under Real Estate. This includes bank premises acquired by the amalgamation with the Eastern Townships Bank, which will be disposed of in due course at considerably more than the book value. With this sale and the sums from time to time written off Bank Premises we should be able to keep this account within reasonable bounds and still show our properties at approximately 50% of their value.

The enrolled members of the staff now number 3,540, an addition of 544 during the year. In accordance with our plan of contributing to the Pension Fund, which includes provision for the widows, orphans and other dependants of deceased employees, we have appropriated \$80,000. It will interest you to know that the Pension Fund now stands at the magnificent sum of over \$2,000,000. This, of course, includes the contributions of the members of the staff themselves. This large amount has been placed in the hands of a Board of Trustees charged with its administration for the benefit of those who have given long and faithful service to the Bank. We are pleased to record our appreciation of the able manner in which this trust has been exercised. A large portion of the amount has been invested in western farm mortgages, and the whole fund is earning at the rate of about 6½ per cent. per annum. The importance of making every reasonable effort to create a loyal and efficient staff cannot be too strongly emphasized, and your generous aid in the direction of strengthening the ties which bind its members, perpetuates what is best in our service and is creditable to the institution. The fund has been

actuarially examined from time to time, and we believe that it is on a sure and sound basis. We hope in the near future, with the accretions from well-invested funds, to increase the maximum pension.

You will notice that after paying dividends, making appropriations for Bank Premises and Pension Fund, we transferred to the Rest account \$1,000,000 and carried forward a balance of \$384,529.98 to Profit and Loss account. We reported \$16,422,864 note circulation in November, 1912, and reached a maximum of \$16,548,225 in November, 1913. The lowest point, \$12,822,000, occurred in May last. The early movement of the crops relieved the pressure, but we took advantage of the emergency provisions of the Bank Act, and at the date of our statement we had \$642,923 circulation outstanding in excess of our paid-up capital. Our deposits show a decrease of \$4,803,746, but this is accounted for by the adjustment of several large amounts which were held in special accounts, and the withdrawal of Provincial Government funds. The ordinary deposits show an increase. Current Loans and Discounts were \$154,576,889 and Call and Short Loans \$25,764,910, compared with \$163,753,559 and \$17,783,049 in our last report. The total Current Loans were \$180,341,800, a decrease of \$1,194,808 for the year. We show an increase of \$9,595,701 in Government and other Securities, and \$2,960,690 in Cash.

We think it advisable to give you an assurance that in the midst of the troubled and dangerous state of affairs in Mexico our interests are being safeguarded and every precaution exercised in handling a difficult problem. Our Manager enjoys our full confidence and he has shown unusual ability and judgment under these trying circumstances.

We deemed it prudent to restrict the opening of new branches to the carrying out in some measure of a programme we had planned early in the year; and we

consequently confined ourselves to districts where we had no representation, except in some cases where we opened for the protection of other branches. The geographical distribution of branches and agencies as at 30th November, 1913, was as follows:

Alberta	53
British Columbia	1
Manitoba	2
New Brunswick	1
Nova Scotia	1
Ontario	82
Prince Edward Island	7
Quebec	8
Saskatchewan	5
Yukon	2
Total in Canada	172
Newfoundland	1
London, England	1
United States	1
Mexico	—
Total number of Branches	178

The number of the Bank's shareholders is now 6,026, as against 5,656 a year ago, an increase of 370. The following table indicates how widely our shareholders are scattered, not only in Canada but also in other countries:

	No. of Shareholders	Amount Held
Ontario	468	—
Quebec	162	1,000
Maritime Provinces	758	1,650
Western Provinces	206	255,700
Great Britain	1,003	3,315,650
United States	1	2,599,550
Other Countries	15	168,200
Total	6,026	5,000,000

There has been a widespread agitation in the Central Western district as to the supposed need for greater recognition of the claims of farmers to accommodation from the banks, but investigation does not support this contention, so far as this bank is concerned. A carefully prepared statement of the business of this bank in the western provinces shows the percentage of total deposits to total loans in this district to be 55.55%, which means that for every one dollar on deposit in these provinces we lend almost two. A compilation of the figures of the business of this bank in Saskatchewan made at the request of the Royal Commission on Agricultural Credit appointed by the Saskatchewan Government gave the percentage of farmers' loans to farmers' deposits in this province as 278.29%. While the percentage of farmers' loans to total deposits was 88.25%. This means that for every dollar which the farmers of Saskatchewan have deposited with us, we have lent them nearly three. These facts should convince those interested in this important subject that our farmers and growers have been generously treated by us.

The decennial revision of the Bank Act was an important feature of the last session of Parliament. A most searching examination and discussion of every conceivable phase of banking as it affects this country, resulted in a measure evidently framed with the object of meeting every reasonable requirement, and the Act is generally regarded as a piece of unusually good legislation. The most prominent of the new features are the provisions for the creation of a Central Gold Reserve and the appointment of Auditors for the independent examination of banks.

In view of what has been accomplished in spite of so many adverse influences and taking into account the natural disposition to look at the bright side of things after having passed through a trying period, it is not easy to forecast what the coming year will bring. We are inclined to the

thought that with the correction and adjustment of important matters now pending—such as the settlement of European political and financial difficulties and the attempts to bring about a return of peace and prosperity to unhappy Mexico (an important factor in the situation)—we shall see a revival of better conditions and our problems may be easily solved. We fear there will be a slow recovery, and great circumspection will be required before we again sail in smooth waters. We are likely to have an accumulation of idle money in the financial centres, but this will probably not have any appreciable effect on rates for general business for some time to come, because of the depression in all first class securities and the difficulty of disposing of the large amount awaiting a favourable market. On the other hand, trade has been prosperous and is fundamentally sound, and while considerable restriction must be expected, we are hopeful that the coming year will be one of reasonable prosperity.

The President then said:—

PRESIDENT'S ADDRESS

At our last annual meeting for the first time we presented the information at our disposal regarding industrial conditions in Canada, and in the foreign countries in which we do business, in the form of an appendix to the ordinary report to our shareholders. The advantage of presenting the views of our chief officers regarding the various districts directly to the shareholders, instead of compressing them into the addresses of the President or the General Manager, seemed clear, and we think the experiment has justified itself and may be adopted hereafter.

A year ago the tide of expansion seemed still to be in flood, although in some quarters a check was either in plain sight or had here and there made itself felt. Money for certain purposes, notably in connection with real estate,

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was not so easy to obtain as in former years, yet little heed was apparently paid to the oft-repeated warnings of bankers and others who tried to forecast the future, although at the end of the year we must conclude that, after all, such warnings did have some beneficial effect. Clearly we have come through a time of difficulty in a most creditable manner, and we can look forward to the future cheerfully if the spirit of prudence which now characterizes our people remains unchanged at least until another good crop has been marketed. Much of that part of our expansion which went too far reminds one of the diseases through which the young have to pass. We are doubtless glad if they escape them entirely, but we have no reason to expect that they will be so fortunate. Some undue speculation in real estate, and some over-building in connection with public improvements, is inevitable amidst such astonishing growth and prosperity, and it would be foolish to expect anything else. We are now realizing more accurately the value of real estate, and through the process we are gaining an experience which is absolutely necessary to the foundations of a sound prosperity. The western country as a whole will not again have to suffer from this particular ailment of young communities. We have repeatedly deplored the fettering of the country by the high rent-charge which inflated real estate values impose, and the unfortunate effect of such a rent-charge on the cost of living, and if there is now to be a pause in the upward movement of values, there will in any event be a corresponding gain to all landless people.

Immigration has not yet been much checked by the curtailment of industry, indeed, except from the United States, there has been a large increase during the year. The British immigrants exceed in number the combined total of those from Europe and Asia and very much exceed those from the United States. The largest increase as compared with the figures of previous years, however, is in

the division which includes all countries except Great Britain and the United States. Here the increase, December figures being estimated, is 32 per cent. From Great Britain the increase is 8 per cent., while from the United States there has been a decrease of 17 per cent. There is thus a total increase of 6 per cent., as against 13 per cent. in the previous year. The total number of immigrants, December figures again being estimated, was 417,709, as compared with 395,804, the revised figures for 1912. The total for 1913 is made up as follows: British, 156,873, United States, 115,805, all other countries, 145,031. These figures are again eloquent in explaining the conditions of our foreign trade, the total of which for the year ending March, 1913, passed the billion mark for the first time, being \$1,085,175,000. The imports were valued at \$691,943,000 and the exports at \$393,232,000, showing the largest excess of imports we have ever had, namely, \$298,711,000. In the six months of the current fiscal year ending September, the complete figures for which have been published, there is some improvement in the proportion of exports to imports, and since September a greater improvement has taken place. As to our exports we are glad to report an increase during this period in every group, while there has been a decrease in many of the classes of imports.

We again draw attention to the large proportion of our imports which consists of iron and steel in various forms, not only as raw materials, but as manufactured goods. The total value is about \$140,000,000. May we once more point out that in the main these are articles used in building, or in equipping the country for its future, and that such purchases differ in effect from the import of foodstuffs and other rapidly perishing objects? At the same time we regret that the greater part of these iron and steel goods is not made in Canada now, as certainly will be the case in time. To the extent to which, by making these goods in

Canada, we could have lessened the debt represented by the securities we have sold to pay for the difference between imports and exports, we have burdened ourselves for a long time to come. Of course, while workmen are busily engaged in other things, as they have been in Canada, it may be said that they are not available for more work in iron and steel, but as soon as railroad and other building lessens in volume, not in the aggregate but in proportion to other industries, we may hope that we shall be able to make in Canada the larger part of the iron and steel goods now imported. The increased output of our coal and iron mines, of our blast furnaces and of our manufactories, which would result, would be of inestimable value to the country as a whole.

It was evident to any student of the situation a year ago that Canada, and other borrowing countries, would be put to a severe test during 1913. What we were not prepared for was that this country should be singled out as, in some measure, chief among the sinners of this kind. It is well, however, to remember that when money becomes scarce in the great markets of the world, the chief borrower is always told that he has obtained too large a share and that he must stop borrowing for the time being. We had scarcely realized that Canada had become the chief borrower, or practically so, and somewhat resented being held responsible for a situation created by the combined financial requirements of all the active mercantile nations of the world. However, we have had our warning and shall doubtless act upon it.

The fact remains that under all this pressure England has taken more of our securities this year than ever before. She has patiently remembered that we are obliged to finish the many sound and important enterprises, public, semi-public and private, which had been undertaken before the financial clouds began to gather. That such enterprises will command the money of the investor in preference to

loans for the rehabilitation of foreign countries devastated by war, or in preference to securities based upon new ventures, we need not doubt, and out of the vast sum available each year in the markets of Europe for new investments, we may be sure of getting a generous share. We shall have to face a keener analysis of the nature of the security offered and the necessity of paying higher rates to the investor, and we shall do well to abstain during the next year or so from seeking to market any unnecessary securities, in order that we may do what we can to restore the balance between the investment resources of the world and the securities offered for sale. It is pleasing in this connection to see that the higher rates of interest offered have opened the markets of the United States to our securities to an extent quite unusual in the past.

Now that we have come to a slight pause in the growth of North America, it is well to bear in mind some of the more important things accomplished during this period of expansion. In Canada, in addition to growth in many other directions, we have in sight the completion of two new transcontinental railway systems, and while they have been building, the existing system has successfully established its claim to rank as one of the foremost railway systems of the world. As regards the United States the Panama Canal is practically finished; a tariff adjustment, the mere thought of which would have created panic a few years ago, has taken place, leaving the outlook in this respect a certainty instead of an uncertainty; a currency and banking bill, for which the country has been waiting about twenty years, has been passed, and a more reasonable attitude has been adopted towards the question of railroad rate adjustment. These are all events of the greatest importance which must profoundly affect the future of the two countries, and so far as Canada is concerned we may surely feel that we are now entering upon a new and more important phase of industrial life for which our equipment

is more adequate than ever before. No more positive evidence of the need and value of such equipment could be offered than the ease with which the present year's crop was harvested, moved and warehoused. This has been done in a manner which would have seemed impossible only a few years ago, and the value of the smoothness and rapidity with which the work was handled can scarcely be estimated.

In connection with the opening of the Panama Canal, there will be held at San Francisco in 1915 the Panama-Pacific International Exposition, for the purpose of impressing upon the world the vast change in its commerce likely to accrue from this new waterway. It is peculiarly gratifying to know that in this exposition Canada will take a very prominent place. It is proposed to erect a building covering 65,000 square feet, considerably larger than the Canadian building in any previous exposition, and in this space the natural products of our country in agriculture, horticulture, minerals, forestry, fish, game, etc., will be adequately displayed. We understand that it is the intention of the Government to make this one of the best exhibitions that has ever been placed before the public in the interest of this country.

We turn to the Clearing House returns with unusual interest at such a time as the present. There are now twenty-two Clearing Houses in Canada, but leaving out two with records for part of the year only and comparing the figures of the twenty in operation a year ago, we find that there have been ten increases and ten decreases during the year, as compared with increases in every Clearing House the previous year. The increase in the total is 1.27 per cent. as against 23.74 per cent. a year ago. Increases appear in the figures of seven eastern and three western cities and decreases in those of eight western and two eastern cities. After the phenomenal increases in 1912 we may be glad that we have held our own in 1913.

Montreal, Toronto and Winnipeg, three cities which account for 72 per cent. of the total, all show increases.

The building permits of the four chief cities were as follows:—

	1911	1912	1913
Montreal	\$14,580,000	\$19,642,000	\$27,032,000
Toronto	24,374,000	27,401,000	27,038,000
Winnipeg	17,550,000	20,475,000	18,621,000
Vancouver	17,652,000	19,388,000	10,423,000

We have made the comparison for three years in view of the contraction which has begun in some cities. Toronto has just kept even and the decline in Winnipeg is trifling. The marked contraction is in Vancouver, and this no doubt represents conditions in many other western cities. In Montreal, however, there is a great increase in value, although the number of permits is practically the same. The figures for Montreal always exclude large suburbs, the building in which last year is said to approximate \$10,000,000 in value.

The comments of our Canadian, United States and English officers upon the trade and financial situation are so clearly set forth that I hesitate to repeat in any form their conclusions. It may be well, however, at such a difficult time to sum up the case as concisely as possible. The world has two problems before it: (1) How to render available a supply of money sufficient for the carrying out of such physical betterments as must be financed by the sale of securities? (2) How to enlarge the credit facilities of the world for those shorter term transactions which consist of the manufacturing and distributing of perishable goods?

The first problem can only be comfortably solved if there is sufficient money *saved*—that is, profits withdrawn from active use in business, or income not expended by the owners, etc.—to provide for the necessary borrowings of those who are expending money on permanent improvements.

For some years the world has been more extravagant than in any period known to history since Roman times, and this extravagance has been accompanied by a rise in prices which has made it very hard for those who are not extravagant, and who are the most regular in saving money in ordinary times, to put by the usual margin against life's contingencies. When securities cannot readily be sold because of a shortage in these savings, the money necessary for the short term transactions above referred to is used to some extent, but the strain produced by this cannot continue indefinitely, and such permanent improvements must lessen in volume until savings catch up and the equilibrium has been restored. The situation during the past year, however, has been aggravated by many other factors. In many countries, notably in Canada, where large sums are being expended on permanent improvements, there is a relatively small number of those who have savings to lend, and the wants of all the borrowers in all such countries have exerted upon the lending countries of the world a combined pressure greater than ever before known. On the other hand, to the extravagance of individuals represented by motor cars, palatial houses, social display, etc., beyond the capacity of their incomes, have been added colossal expenditures in war and on armaments, and for many purposes which are useless from an industrial point of view. Armaments are necessary as part of the police system of the world, but the money sunk in their creation is none the less a sad burden to the industrial world. We have thus come to a time when, coinciding, as they do, with the hoarding of money by timid owners consequent upon the Balkan and Mexican troubles, the unusual requirements coming from an almost world-wide prosperity cannot be fully met. All business activities, therefore, throughout the world, must be lessened in volume until things right themselves, which they will do quite speedily if people generally are willing to profit by the lessons to be drawn from recent experience.

The adoption of the report was then moved by the President, seconded by the Vice-President and carried unanimously.

The Vice-President then said:

Mr. William McMaster having resigned from the Board in October last, the Directors refrained from filling the vacancy, being of the opinion that under present conditions a Board of twenty members is sufficiently large. It will, however, be necessary to ask you to pass an amendment to the Bank's by-laws reducing the number of Directors to twenty-one, the existing number, and providing that when the next vacancy occurs it shall not be filled. This will reduce the number of Directors to twenty, at which figure it will remain thereafter.

I will now move, seconded by Mr. A. Kingman:

Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on the 13th day of January, A.D. 1914, as follows:

1. That the first sentence of by-law No. 1, adopted by the shareholders on the 12th day of January, 1909, and amended by them on the 9th day of January, 1912, and on the 14th day of January, 1913, be and it hereby is repealed and the following substituted therefor:

"The Board of Directors of the Bank shall be twenty-one (21) in number until such time as a vacancy in the Board shall occur and thereafter the Board of Directors of the Bank shall be twenty (20) in number. Three members of the Board shall constitute a quorum."

2. By-law No. 4, adopted by the shareholders on the 12th day of January, 1909, is hereby amended by inserting at the beginning of the said by-law and as the first words thereof the words—"Subject to the provisions of by-law No. 1."

The Chairman then reported that in accordance with the provisions of Section 56 of the Bank Act notice had been given to the shareholders that Mr. T. Harry Webb, C.A., of Messrs. Webb, Read, Hegan & Callingham, Montreal and Winnipeg, and Mr. James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Company, Montreal, were eligible for nomination at the annual general meeting as auditors of The Canadian Bank of Commerce, and that Messrs. W. F. Alloway and the Honourable W. J. Hanna, respectively, had given written notice of intention to nominate these gentlemen as auditors.

On motion it was resolved:

That Mr. T. Harry Webb, C.A., and Mr. James Marwick, C.A., be and they are hereby appointed auditors to hold office until the next annual general meeting at a remuneration to be agreed upon, but not to exceed \$15,000.

It was then moved by Mr. William Davidson, K.C., seconded by Mr. A. E. Ames:

"That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months."

In moving the resolution Mr. Davidson said:

I am sure it affords the shareholders great pleasure to meet the Directors to-day. We have been coming through a period when hard times are spoken of. There is no evidence of this in the statement presented to us. It shows that the Bank of Commerce is in a position of very great strength, and one which enables it to meet any emergency which may arise. I think also it will be seen that this Bank, in common with many other large institutions in the Dominion of Canada, has done much to avert what might have been a very serious financial crisis during the past year or eighteen months in the history of this country. I have much pleasure in moving this resolution.

In seconding the motion Mr. Ames said:

I feel quite strongly that it is a great mistake for any of the shareholders of The Canadian Bank of Commerce who can do so not to be present at these annual meetings, because they have come to be recognized as the principal forum in Canada for the discussion and review of financial affairs throughout the year.

The President: On behalf of the Directors, I thank Mr. Davidson and Mr. Ames for their resolution. The year has undoubtedly been one of unusual difficulty. What one has felt regarding it was expressed in a remark made to me by a financial authority in England. It was to the effect that if Canada came through this time of difficulty and paid her dividends and coupons, thus showing that she had made good use of the money borrowed, her credit in London would eventually be better than ever.

Mr. W. E. Rundle then moved, seconded by Mr. Thomas Gilmour:

"That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months."

Mr. Rundle said: The most eloquent commentary on this resolution from the standpoint of the shareholders is the Profit and Loss account, which shows net profits for the year of approximately \$3,000,000. To produce this result and to take care of \$260,000,000 of assets must impose enormous responsibilities upon the General Manager, Assistant General Manager and other officers of the Bank. One is struck, when one comes in contact with the officers of The Canadian Bank of Commerce not only with their efficiency, but with their great loyalty to the institution. I believe this is the greatest asset which this Bank possesses, and that the shareholders owe a real debt of gratitude to the staff of the Bank.

The motion was then responded to on behalf of the staff by Mr. John Aird, the Assistant General Manager, Mr. V. C. Brown, the Superintendent of Central Western Branches, and Mr. E. W. Farwell, the Sherbrooke Manager.

Mr. Aird: I have often thought that I should like some better medium than mere words for conveying to the shareholders the thanks of the staff for the resolution which they pass from year to year, and particularly so this year, in view of the very generous treatment which the staff has received from the shareholders through the Directors. The General Manager has mentioned that we now have a staff of some 3,540 men, composed largely of Canadians, but including a number of lads from Scotland, England and other countries. There seems to be an impression abroad that we do not treat the lads from other countries as well as the Canadian boys. This is not the case. I believe that we take care of our staff in a way that is not equalled by any other institution in the country, and I should like to assure the shareholders and the parents of the younger members of the staff that they receive the best care at our hands and that we feel our responsibility for them. We hear a great deal to-day in Toronto of intangible assets; our intangible asset, as far as the balance sheet is concerned, is the staff, and we cannot set a value on it. It is second to none in Canada, particularly in its *esprit de corps*.

Mr. Brown: Few of the shareholders are aware that when the present administration took charge of the Bank the most formidable task with which they were confronted was not to clear away the accumulation of unsatisfactory inanimate assets which were turned over to them by their predecessors, but to build up an almost wholly new staff, to train a new generation of men in sound banking principles and inspire them with energy, initiative and pride in the institution. A year or two ago the President reminded me that it had taken all of

twenty years to accomplish this task—in other words, this was the cost, measured in time, of acquiring that particular item of the good-will of the Bank which is represented by a well-trained and highly efficient staff.

In the district of which I have charge we are continually receiving the most gratifying compliments on the calibre of the men in charge of our branches. Officers of other banks—not one or two, but several—have from time to time commented with some wonderment on the fact that wherever they meet a “Commerce” man they find him all for his Bank. Whatever may be the value of the assets which are reflected by the figures of the balance sheet, I fully believe that, as was remarked by the mover of this resolution, the Bank’s most important and valuable asset is its staff. Of course, every corporation that achieves a pronounced measure of success must have a staff above the average; but I am referring to the force derived by the Bank from the unusual quality of its staff, arising from the efficiency of their training, their belief in the institution and the resultant energy and initiative they possess. They certainly deserve, and I am sure you mean, that this resolution shall be regarded as something more than a mere formal courtesy. On their behalf I beg to thank you.

Mr. Farwell: On this, the first occasion on which I have been permitted to attend an annual meeting, it affords me a great deal of pleasure on behalf of the staff to acknowledge this vote of thanks. I feel that I express their sentiments, as a whole, when I say that we appreciate remarks such as those that have fallen from the lips of the mover and seconder of the resolution. Remarks such as these and the tangible expressions of your endorsement of our work, which were recently accorded us by the President and Directors, go a long way to promote genuine feelings of loyalty towards the Bank. May I be permitted to

take advantage of this opportunity to say on behalf of those men who formed the staff of the old Eastern Townships Bank, that it was with some feeling of uncertainty and some little doubt that we took up our new duties; but the fair and generous treatment which has been accorded us by the General Manager, his staff and our confreres generally, has entirely and absolutely dispelled any such feeling. And may I say on their behalf, that we are proud and happy to form a part of this magnificent organization. I thank you on behalf of the staff.

The Chairman then called on Mr. G. G. Foster, K.C., to move the resolution for the election of Directors.

Mr. Foster said: As a shareholder of this Bank, before I exercise the duty of moving this resolution, I want to add to what has been said a word of praise and appreciation on behalf of that body of shareholders known to you as the old shareholders of the Eastern Townships Bank.

There were some who at the time of the amalgamation submitted to it, as Mr. Farwell has said, with doubts as to what the result was to be, and it is a source of gratification and pride for me at the expiration of a year of trial such as Canada has gone through, to come here to this large body of shareholders of The Canadian Bank of Commerce, to extend to them the right hand of fellowship, and to say to them and to the world that the Eastern Townships Bank shareholders of The Canadian Bank of Commerce are not only part and parcel of this institution but are proud of the honour of being so, and pleased that they took the step which brought about an amalgamation.

I am aware, Mr. President, that there are in Canada, as I suppose every man in this room must know, disgruntled busybodies who imagine that they know everybody else's business better than he does, and because of this give evidence of their inability to know their own. I am aware that there are institutions in Canada that are jealous of every institution which widens its scope, just as

I am aware that there are men who criticise another man just as soon as he shows an ability to be bigger than his neighbour. But, Sir, it is a matter of gratification to us as shareholders of this Bank that, no matter what anybody may say, figures talk louder than the words that are circulated by people who are jealous of us, and that the shareholders of this Bank are proud of the results of this year's operations—proud also of the great influence that this Bank exercises in maintaining the equilibrium of trade throughout this Dominion. We are proud that you have been able, by that devotion which has been discussed here to-day, to bring about the result which you have, and we look forward to the years that are coming with confidence in this Bank, with confidence in the men who are behind it, and with every confidence that the great record which the Bank of Commerce has been able to achieve during forty-five years, and the Eastern Townships Bank during over fifty years, will combine to put this institution in the very leading rank among the banks of the Empire. We are pleased to be assured of the splendid financial position you occupy, to know of your assurance that you will be able to maintain the present dividend and bonus aggregating 12%, and yet take proper care of the Bank's position and provide liberally for our staff of loyal and able officers.

I beg to move, that this meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open till three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

The resolution was seconded by Mr. G. W. Allan and carried unanimously. The meeting then adjourned.

The scrutineers subsequently announced that the amendments to the by-laws had been passed and that the

following gentlemen had been elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph. D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly-elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President, and Mr. Z. A. Lash, K.C., LL.D., Vice-President.





TRURO N S



REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1913

NEWFOUNDLAND	The St. John's Manager
THE MARITIME PROVINCES	The Halifax Manager
QUEBEC	The Montreal Manager
ONTARIO	{ The Assistant General Manager
MANITOBA, SASKATCHEWAN AND ALBERTA	{ The Superintendent of Central Western Branches
BRITISH COLUMBIA AND YUKON	{ The Superintendent of Pacific Coast Branches
THE UNITED STATES	{ The New York Agent and the Superinten- dent of Pacific Coast Branches
GREAT BRITAIN	The London Manager

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1913

NEWFOUNDLAND

Newfoundland has enjoyed another year of moderate prosperity. Fishing, shipping, mining, railway construction, manufacturing, including the pulp and paper industry, and mercantile business have all flourished, and the year closes with very satisfactory results.

As this is essentially a fishing colony, the fishing industry is much more important than all others. During the last two years prices have been high, and the fishermen have materially improved their financial position. On the other hand, considering the precarious nature of the fish export business, the exporter has been obliged to work on a very narrow margin of profit, and one that is apparently inadequate. The fishermen are just beginning to realize the advantages of the use of motor-driven craft; probably 1,000 to 1,500 are now in use, and as there are over 50,000 men and 20,000 vessels engaged in the industry, a rapid annual increase may be expected, which in time should lead to a material increase in the catch. The year compares very favourably in this respect with 1912, the estimated value of the products of the sea being about \$12,500,000. Compared with the Maritime Provinces of Canada, and with Gloucester and Boston, the following statistics indicate that in the value of the annual catch Newfoundland takes first place:—

Newfoundland.....	\$12,500,000
Nova Scotia.....	9,400,000
New Brunswick.....	4,900,000
Prince Edward Island.....	850,000
Quebec.....	1,800,000
Gloucester and Boston.....	5,000,000

The pulp and paper industry represents an investment of \$12,000,000, the products of which are exported to

Great Britain. For 1913 the approximate value of the exports of pulp is \$350,000, and of paper \$2,000,000. Mining has been active at Bell Island, where there is an iron deposit of about 3,500,000,000 tons. The estimated value of the exports of ore for the year is \$1,400,000.

During the past two years the Government has expended about \$5,000,000 on branch railways, the cost being financed by the sale of bonds. At the end of this year the public debt is approximately \$28,000,000. The revenue for the year is about \$3,900,000; the expenditure, including the cost of the administration of the Colony and the interest on the public debt, is about \$3,800,000, thus leaving a surplus of \$160,000. Imports increased \$1,278,000, and amounted to \$16,012,000, of which Canada contributed \$5,200,000, the United States \$5,500,000, and the United Kingdom \$4,400,000. Exports were \$14,458,000, an increase of \$800,000. The investments and bank balances of the people are now estimated at over \$20,000,000, showing a moderate increase for the year. Taking all things into consideration, the year has been one of progress and the people of Newfoundland look to the future with a spirit of optimism.

MARITIME PROVINCES

The Maritime Provinces have not altogether escaped the effects of the partial check to our prosperity which has been felt generally throughout Canada. This, however, has been the result mainly of outside influences not connected with the provinces' own affairs. The beginning of the year found business conducted on conservative lines with neither undue expansion in trade nor boom in real estate. The occupations and industries peculiar to far eastern Canada have met with good average results, and are today on a sound basis. The drain on the rural population is lessening, the opportunities of the provinces are becoming better known, and they are now receiving a

considerable number of desirable immigrants. The removal of the American duties on agricultural products, lumber and fish will have an important effect on the development of their rich resources.

In Prince Edward Island the promise of an excellent harvest was not altogether realized owing to wet weather, and in some localities to early frosts; but with the very high prices prevailing for all products the net results to the farmers will be quite up to the average. The important dairying, live stock, poultry and fishing interests have maintained their former prosperous position. It is a matter of great satisfaction that the development of the natural resources of the province is at the highest point of efficiency yet reached. The breeding of silver-black foxes has received widespread attention and much publicity during the year, and has led to study and experiments along the same lines in other provinces. Investigations now being made in Prince Edward Island in connection with the breeding of other native fur-bearing animals and the Karakule sheep will be watched with close interest.

The past year has been a good one in New Brunswick. With very fair crops of all kinds, and an exceptionally large one of potatoes, accompanied by high prices generally, the farmers are in a comfortable position and in excellent spirits. They are making distinct progress in fruit-growing and the raising of live stock and poultry, and there is a new movement on foot on behalf of general agricultural education. The completion of the St. John Valley Railway will give an outlet to a rich portion of the province which has hitherto suffered from the lack of railway connection.

Conditions not dissimilar have prevailed in Nova Scotia; but owing to the partial failure of the apple crop, the net cash returns from the land will not be quite up to those of 1912. The yield of hay, potatoes and root crops was good, and an encouraging increase took place in the

production of butter and cheese. The Agricultural College at Truro maintains a high standard of efficiency, and we have pleasure in reporting a steadily increasing appreciation of the profitable results which may be produced by up-to-date farming in this province.

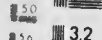
The lumber cut in these two provinces was not up to the figures of 1912, and was probably a little less than the average for the preceding five years. Prices for spruce deals during the first six months were never so high and netted shippers \$1.50 per thousand feet above those of the previous year. Since the middle of August labour troubles in the United Kingdom have had a bad effect on trade, and this, coupled with heavy cargoes of equipments, has brought prices down to \$15 per thousand feet at the time of writing. The docks at Manchester and Liverpool are now overloaded with all descriptions of lumber, including a large quantity of Russian deals, the class which we expect in a few years will dominate that market. Freight rates continued all year on a high level. Our latest reports from Liverpool are hopeful for winter and spring shipments, but the high prices of 1913 are not expected. Most of the mills have cleaned out their yards, and, except in St. John, the wintering stock will be small. Previous to May cargoes were sold in the United States at record prices, but from that time onward the market fell into extreme dullness, with a drop in price of fully \$5 per thousand feet. A fair business has been done with the West Indies. The South American market was dull, but our own local demand was excellent and now absorbs the product of most of the small operators. We expect that the cut in New Brunswick and Nova Scotia next season will be an average one.

The quantity of codfish dried for export on these shores, including that of Gaspé, has probably not been more than 85 per cent. of the average. The catch of the Lunenburg banking fleet showed a similar falling off; it



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was, however, supplemented by a catch of hake seven or eight times the normal quantity. The foreign demand has been good, and quick turnovers of stocks have been made with very fair average profits to the exporter; and as the total stocks now available are estimated to be 150,000 to 200,000 quintals less than at the same date last year, the merchants look forward to a steady trade at advancing prices. There has been no decrease in the number of men following this occupation and the equipment has never been so good. The decrease in the catch is due partly to the scarcity of bait, but principally to the failure to locate the fish. We are able to report a successful season generally for the inshore fisheries, culminating in a splendid run of autumn mackerel, which has left the fishermen on the whole length of the coast in a comfortable position. The growth of the trade in fresh, frozen, boneless, cured and pickled fish with the United States, and particularly with western Canada, in the past couple of years has been remarkable; and with the growth of our west, and the removal of the American duties, there would appear now to be scarcely a limit to the possible expansion of this trade. The lobster catch was about 10 per cent. below that of 1912, but the high prices produced average results. Well-considered plans are in progress to increase the production of oysters and clams.

The output of coal for the year has reached 7,000,000 tons for the first time, the actual amount being about 7,250,000 tons, all of which has been readily absorbed. In New Brunswick there has been an increase of 100 per cent. in the output of the Minto mines. As a result of the large sums expended on development work the output of the Dominion Coal Company alone will probably reach 6,000,000 tons during the next few years. The principal new development in Nova Scotia has been carried on by the Cape Breton Coal, Iron and Railway Company.

Labour employed at the collieries is in a contented and satisfactory state, and altogether the outlook in this important industry is very bright indeed. The production of other minerals has not shown any considerable increase.

Manufacturing enterprises dependent on the local market have been successful in all lines. Many of the larger establishments with connections all across the continent show satisfactory results, and some an actual increase in business, but the recession of trade in the west affected the output of a number of industries; these, however, are, almost without exception, in a sound position and can afford to wait for better times. The steel plants at Sydney and New Glasgow have been passing through a period of readjustment, due to the problems presented by the tariff question and the unusual conditions which for two years have prevailed in this industry across the border. This readjustment has now, in a measure, been completed, and with an improvement in the American iron trade the Canadian companies should enjoy a period of increased prosperity.

General mercantile business, wholesale and retail, while not up to the high-water mark of last year, has been well maintained in all lines. Business felt the restraining influence of tight money, but no legitimate interests suffered; on the contrary, there was a wholesome tendency to take careful stock of the situation, and to be governed accordingly. Commercial failures have been insignificant, and excepting the somewhat abnormal fire waste, the general economic condition of the Maritime Provinces is good. Labour of all kinds has been abundant; and available statistics show that bank clearings, customs and revenue returns, shipping and foreign trade, and the earnings of the Intercolonial Railway have been as large as in any previous year.

QUEBEC

We are again able to record that farming operations in the Province of Quebec have been attended with very satisfactory results. The cold wet spring did not give much promise of a successful year's farming, but conditions were ideal during the summer, and in most districts the crops were well up to and, in some instances, above the average. High prices were obtained for all farm produce, and the money results to the farmer were very satisfactory. Hay, which is one of the principal crops of this province, was harvested in excellent condition and turned out an exceptionally good crop on the whole. The reduction of the United States duty on hay to \$2 per ton resulted in increased exports to American points at remunerative prices. The various cereals were up to the average and brought good prices. Root crops were generally satisfactory, especially potatoes, which brought high prices and in many districts were a record crop. Fruits did not do well and, owing to the late frosts in the spring followed by a plague of tent caterpillars which destroyed the foliage, the apple crop was a decided failure all over the province.

The dairy industry has been successfully carried on during the year. Prices have been high and its products have found a ready market. Since the reduction in the duty, large quantities of cream have been shipped across the border, the farmers finding it more profitable to ship cream than to manufacture butter. There has been a great demand for eggs, and high prices have been obtained at all seasons.

Reports from nearly every grazing district in the province are to the effect that the stock of cattle has been seriously depleted by the large shipments made to the United States under the new tariff. Even before the removal of the duty, there was a very active demand from

the United States for "feeders," and during August and September large numbers of this class of stock were shipped to the American market. With the removal of the tariff, shipments increased and the price paid in Canadian markets rose considerably. The exporting of stock cattle in large numbers will mean a very serious shortage of beef in Canada during the next year or two. Despite the good return which the farmer received for pork during 1912, there seems to be no marked increase in the number of hogs raised, and increased demand has meant higher prices. Hogs have been worth more in Canada this year than in any other country in the world, and it is to be hoped that the high prices will encourage the farmers to raise more stock, especially as there is an abundance of cheap feeding material. Lamb and mutton brought record prices in the spring and, although there was a considerable reduction in price during the fall, sheep yielded better returns to the farmer than in former years. It is to be regretted that more attention is not paid in this province to the raising of sheep, for which the conditions are very favourable.

The output of maple sugar in the Province of Quebec is about 14,300,000 pounds per annum. The amount produced this year, notwithstanding the poor outlook during the early part of the season, was up to the average with prices slightly lower than last year. The tobacco crop as a whole was satisfactory, of about the same quality as last year, with prices somewhat lower. A few instances of damage by frost are reported, but the greater part of the crop was harvested in good condition.

Logging operations were carried on last winter under very unfavourable conditions, and owing to the scarcity of snow a great part of the season's cut had to be left in the woods. There has been an active demand for lumber of every description at advanced prices. It is estimated that the price per 1,000 feet has averaged \$3 in excess of that of 1912.

The asbestos industry has shown further improvement during the year. Prices have been higher and the demand has been quite equal to the supply. The total production in 1912 was 111,175 tons—value \$3,059,084—and for the first seven months of this year the production amounted to 67,871 tons—value \$1,867,457, compared with 54,972 tons—value \$1,487,420—in the corresponding period last year. It is thought that, owing to the demand at present existing, many of the companies will keep their mills running during the winter instead of closing down as in former years.

An encouraging feature is the progress which has been made during the past year in the improvement of country roads under the "Good Roads Act" of 1912. The Provincial Government has advanced to municipalities for this purpose \$1,889,706 to date, and has also spent on government roads \$411,523, making a total expenditure of \$2,301,229 on account of the good roads movement. The Public Works Department reports the construction this year of about 225 miles of macadamized roads and about 60 miles of gravel roads. The Colonization Department has executed work on 602 miles, which makes in all 887 miles of roads which have been either built or improved.

The exports of grain from the port of Montreal during the season of 1913 exceeded all previous records, the total shipments aggregating 54,205,172 bushels, an increase of 15,286,908 bushels over the figures of 1912 and 24,311,988 bushels over those of 1911. The most noticeable increase was in flaxseed, the shipments of which amounted to 8,253,544 bushels, as compared with 39,134 bushels in 1912. The highest previous record for this grain was in 1906, when 3,175,722 bushels were shipped from Montreal. The following table shows the volume of exports of each kind of grain during 1912 and 1913 from the port of Montreal:—

THE CANADIAN BANK OF COMMERCE

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	1913	1912	Increase 1913
Wheat.....	33,252,893	30,971,057	2,281,836
Oats.....	7,255,022	6,523,969	731,653
Barley.....	5,181,484	1,214,984	3,966,500
Flaxseed.....	8,253,544	39,134	8,214,410
Rye.....	210,808	169,170	41,638
Corn.....	50,821	50,821
Total.....	54,205,172	38,918,264	15,286,908

These record shipments are to a large extent attributed to the improvements in the facilities for handling grain at Montreal, and to the increased number of tramp vessels which visited the port owing to the high freight rates prevailing.

The total exports of cheese were 1,571,165 boxes, a decrease of 151,856 when compared with 1912 and a decrease of 239,501 when compared with 1911. There was again little or no export business in butter, only 1,728 boxes being shipped. Increased home consumption accounts for the decrease in the exports of both commodities. Shipments of flour were 2,747,192 sacks, an increase of 100,319 sacks over the figures of 1912. The export hay trade from the port of Montreal for the season of 1913 was the smallest for some years, total shipments being 290,051 bales, a decrease of 273,732 bales as compared with 1912 and 563,911 bales as compared with 1911. The active demand for hay from the United States, stimulated by the reduction in the duty, tended to keep prices above the basis for export to Europe. The total shipments of apples were 209,926 barrels, a decrease of 152,598 barrels compared with 1912, and a decrease of 77,184 barrels compared with 1911. There was a decrease of 3,551,597 feet in exports of lumber, the total shipments being 105,819,167 feet compared with 109,370,764 feet in 1912.

The advance in real estate prices, which reached its highest point during 1912, has ceased for the present, and the number of sales recorded and the aggregate value of properties transferred during 1913 show considerable

decreases as compared with those of the previous year. There has been very little speculative demand for real estate, due doubtless to monetary conditions and also to a general recognition of the fact that prices in many cases have been unwarrantably high. There has been, however, a fairly large volume of real estate transfers where properties were required for commercial and residential purposes, and where revenue formed the basis of value. Values have been sustained under existing circumstances, and in the City of Montreal the Board of Assessment have increased the assessed value of every description of property. Speculative builders have been compelled during the past season to restrict their operations owing to difficulty in working for such purposes, and the construction of houses and apartment buildings has not kept pace with the growth of urban population.

The figures of the Bank clearings in Montreal for the year again exceed all previous records, the total being \$2,879,000,000. The aggregate clearings for 1913, while not showing the proportionate increase of each of the previous four years, are \$34,648,000 in excess of those of 1912. The clearings for the first half of the year showed an increase of \$87,402,000 over those of the same period of 1912, but the contraction in business generally and the reduced volume of transactions on the Stock Exchange are reflected in a falling off during the later months.

While at the close of the year there are signs of diminished activities, the year's business as a whole in the Province of Quebec may be regarded as satisfactory, considering the tension in trade and finance which has existed. Some manufacturing concerns report a volume of business during the year in excess of 1912, but the amount of orders on hand for forward delivery shows a marked falling off. Collections have been slow and are still not entirely satis-

factory, but trade generally is on a sound basis and business operations are being conducted on conservative lines.

ONTARIO

There are not many people, we believe, in the City of Toronto or the Province of Ontario who realize that the area of the province has been increased within two years from about 260,000 square miles to about 420,000 square miles. This large increase in area has been the result of taking in the District of Patricia, which now forms the most north-westerly part of the province adjoining the eastern boundary of the Province of Manitoba, a few miles north of the Lake of the Woods, and thence running north and east to the shores of Hudson Bay. The people of the province, and particularly of Toronto, thus secure the advantage of several possible ports on these waters. Although little precise information is on record in regard to this new district, the Government authorities have, in a general way, satisfied themselves that not only does it contain a large tract of many million acres of good agricultural land, but that the timber therein has great value. It is known also that the geological formation indicates the possibility of mineral developments of considerable value. As to the possibility of the agricultural lands being developed, we have only to bear in mind that they are, as a rule, no further north than the rich wheat lands of Manitoba, Saskatchewan and Alberta, and it would, therefore, seem reasonable to believe that they can be settled eventually and farming carried on in the usual way.

Thus Ontario not only continues to hold the premier position among the provinces as regards the value of the products obtained directly from the soil, but it now ranks second as regards area, with 420,000 square miles, the Province of Quebec alone exceeding it with 706,000 square miles, British Columbia coming next with 358,000 square miles.

We have thought it proper to make this little digression in our Report, because, as already stated, we feel that the people of Ontario generally have not realized the possibilities of their own province, all eyes being attracted to our four western provinces. Of course, we are not overlooking the district commonly known as the clay belt of northern Ontario, where great development has been going on for several years past and where new trading and mining centres, such as Cobalt, Porcupine, Englehart, Cochrane, Haileybury, New Liskeard, Hearst and other places, have been established. Much of this development has been brought about by the construction of the Temiskaming and Northern Ontario Railway and by the settlement of the district by people principally from old Ontario.

The wealth of this province is the natural result of its having been for many years devoted to general agriculture or mixed farming. The average Ontario farmer combines the growing of grain, roots and grasses; the raising and feeding of live stock; the production of milk for the home dairy, for the cheese or butter factory, or for the city market; and the cultivation of a few acres for fruit raising. He converts a large portion of his grain, root and fodder crops into live stock and animal products—beef, bacon, poultry and the various dairy foods. From these sources he obtains a large cash return, and under this system of farming the productiveness of the soil is maintained and the prosperity of an agricultural country is prolonged. If old Ontario can successfully demonstrate the benefits to be derived from a varied system of cultivating the soil, the lesson should soon be learned by the new settlers who take up the virgin lands of the northern portions of the province.

Whilst writing of the agricultural industry of Ontario, the fact should not be overlooked that we have less than 14,000,000 acres under cultivation. In other words, apart

from our water area, we have hardly 7 per cent. of a land area of 220,000,000 acres under cultivation.

As to the results obtained by the farmer from the crop of 1913, we have every reason to be satisfied. The reports received from a large number of reliable sources indicate that the harvest, on the whole, has been an abundant one, with prices well maintained. The spring opened sufficiently early to give the farmer a good start with his work, and apart from a short dry spell, the weather might almost be considered as ideal for farming purposes. The hay crop is probably the only one which shows a yield below the average, but the decrease in yield is largely offset by its excellent quality. Spring and fall wheat show a good average yield, as do barley and oats. The principal corn-producing districts report a generous yield, with the probability that prices, owing to the large decrease in the United States' corn crop, will be higher than last year. In North Essex alone, the corn crop is this year valued at \$2,000,000. Our correspondent points out that this satisfactory result has been obtained by progressive farmers who now realize that, in order to secure larger and better crops, they must tile-drain their lands and otherwise treat them in a scientific way. It is entirely due to the observance of these important principles of farming that the returns from the district referred to have been satisfactory for several years past.

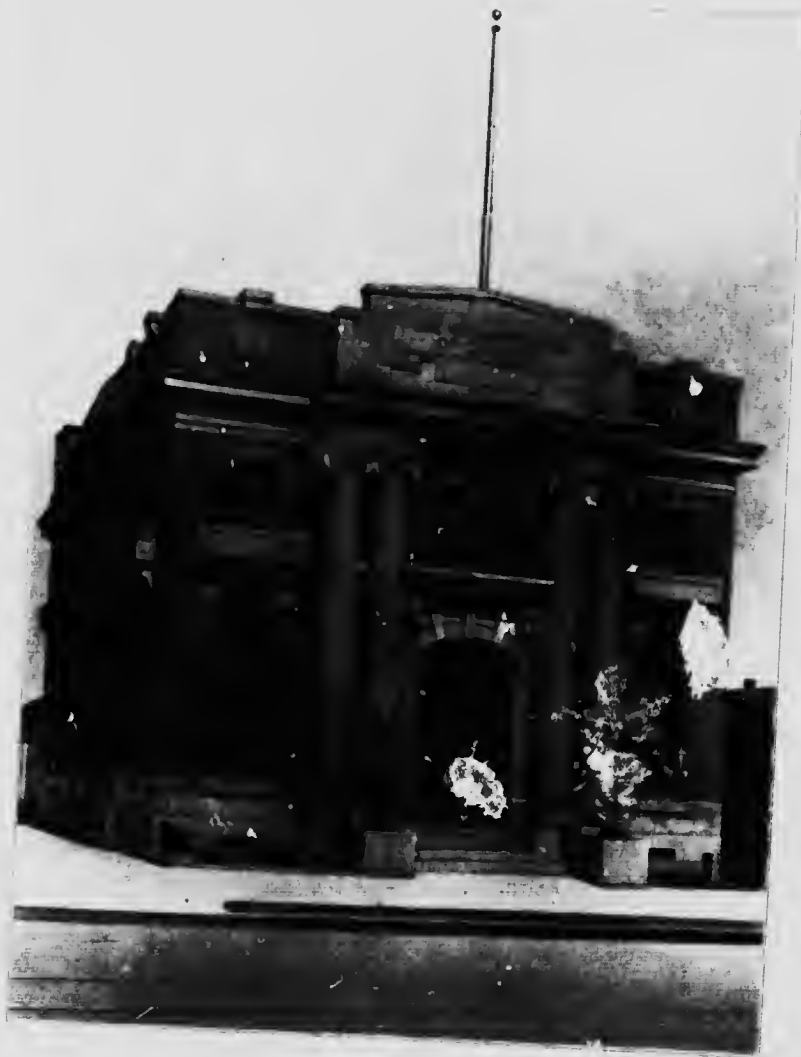
There has been a fair yield of root crops of good quality with satisfactory prices. Farmers adjacent to centres where canning factories are established are paying more attention to the raising of such vegetables as cauliflowers, onions, corn, cucumbers, tomatoes, peas, beans, etc. The results reported this year from several canning centres have been very encouraging. The following table gives the latest figures relating to the acreage and yield of the various field crops, as reported by the Ontario Bureau of Industries:—

	Acres	Bushels
Fall Wheat.....	646,533	15,945,717
Spring Wheat.....	116,581	2,068,951
Barley.....	623,658	18,255,958
Oats.....	2,699,459	98,426,902
Peas.....	177,303	3,108,263
Beans.....	66,639	1,021,243
Rye.....	118,429	1,979,776
Buckwheat.....	228,279	4,012,418
Corn (for husking).....	209,871	22,214,014
Potatoes.....	159,661	19,124,116
Carrots.....	2,400	592,016
Mangel-wurzels.....	54,568	21,935,847
Turnips.....	97,572	41,889,894
Sugar Beets.....	19,083	6,389,177
Mixed Grains.....	414,517	15,113,480
		Tons
Corn (for Silo).....	388,138	4,059,345
Hay and Clover and Alfalfa.....	3,428,846	3,924,563

Turning to the mineral possibilities of the province, we find that the total value of the production of the mines has increased from \$11,500,000 in the year 1904 to \$48,500,000 in 1912, and mining authorities estimate that when the returns for the year 1913 shall have been completed the figures will show a substantial gain over those of 1912. It will be seen, therefore, that Ontario still maintains the first place among the provinces of the Dominion in the value of metallic products such as silver, nickel, iron, gold and copper. We have reason for congratulation when we consider that in the production of silver the figures of Ontario are exceeded by only two other countries, Mexico and the United States; and that the mines at Sudbury yield annually 75 per cent. of the nickel of the world. With the fresh discoveries which have been made in the same district within the past twelve months, the province will probably remain for many years to come the principal nickel-producing country of the world. Great progress has also taken place in the development of the gold mines in the Porcupine district, and the indications at the present time are that the district may become as famous as a gold camp as Cobalt and Sudbury are as

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silver and nickel camps respectively. As to the Cobalt silver camp, it would appear from the published returns that the maximum weight of metal produced—31,508,000 ounces—was reached in the year 1911. The estimate for this year is 29,500,000 ounces, with an estimated value of \$16,800,000, as against 30,200,000 ounces last year, with a value of \$17,408,935. The reduction in the output within two years is not very great, but it appears to be the opinion of conservative mining men that this particular district has reached its maximum annual production. There is still, however, a vast quantity of valuable ore in sight, and Cobalt will undoubtedly continue to be an important factor in the world's production for many years to come, while it is not unreasonable to suppose that in a region of 5,000 square miles other rich deposits will be found. The average price of silver per ounce for 1911 was 53.30 cents, for 1912, 60.83 cents, and for 1913 it is estimated to be between 59 and 60 cents. Were it not for the demands of India and China, it is probable that the price would not be so well maintained. The customs and habits of the people of these countries, however, change slowly, and we can therefore look with confidence for a continuance of a profitable market for our output for some time to come. To complete the records of our previous report, we give below the value of the production of the camp since it was first opened, namely:

1904.....	\$ 111,887	1909.....	\$12,461,576
1905.....	1,360,503	1910.....	15,478,047
1906.....	3,667,551	1911.....	15,953,847
1907.....	6,155,391	1912.....	17,408,935
1908.....	9,133,378	1913 (estimated)	16,800,000

A total for the ten years of \$98,531,115.

The Porcupine gold camp is comparatively a new field, and in the short course of its existence it has met with many setbacks. In 1911 the district was visited by destructive fires, which resulted in extreme dullness during 1912. In the present year development work has been interfered with

by labour troubles and by a serious flood, the former lasting for six months from November, 1912, while for two weeks in the spring of 1913 a large part of the town was under water to a depth of three feet. Notwithstanding these drawbacks, however, the value of the gold produced has increased from \$2,100,000 in 1912 to an estimated production of \$4,235,000 for 1913. There are at present employed in the mines some 1,300 men, and the development work which has been done in the more important properties indicates that there is a very large quantity of the precious ore in sight. We can, therefore, place some measure of confidence in the statement of those interested in the development of the camp that the year 1914 will show an output of gold valued at \$8,000,000 with 2,000 men employed in the several mines.

The production of logs in the Ottawa valley and northern Ontario during the winter of 1912-13 ran short of that of the previous season by 15 to 20 per cent. The reduction is attributed largely to the low water in the Ottawa and Gatineau Rivers, which has prevented the running of the mills at full capacity, and from the same cause the cost of the output has been considerably increased. During the early part of the year the demand for lumber was quite heavy, the prices for the lower grades were very firm, and were probably the highest in the history of the industry; towards the summer months, however, there was a heavy shrinkage in the number of orders, although there was no marked reduction in prices. As to the future, the price for first and second quality of deals is considerably lower than last year, but third and fourth grades are practically unchanged. All grades of good lumber show a reduction of 5 to 10 per cent. in price, whilst the middle grades are about the same as last year, although less saleable than other grades. The lower grades have shown a slight appreciation in value in the market. Waney timber has

suffered a very decided shrinkage in price, varying from 20 to 30 per cent. per cubic foot. The cost of labour at the mills is somewhat higher than last year, but this is offset to some extent by the lower wages now being paid for men in the woods. Retail stocks in Canada, the United States and England appear to be light, judging from information recently received, and with any pronounced revival in business, the industry should be easily maintained on a profitable basis. The removal of the duty, ranging from \$1.25 to \$2.25 per thousand feet on lumber imported into the United States, will be very helpful to our manufacturers. It is fully expected that this will prove a considerable incentive towards shipments next season, and will allow the product of the Canadian mills to be marketed to a greater distance south of the boundary line than has been heretofore practicable.

In the early spring the prospect for a heavy yield of all fruits was very promising. The frosts which occurred in May during the period of fruit bloom, however, had a serious effect on the yield of apples, which is not above half the normal. Of other fruits there has been an abundant yield, more especially of peaches and plums. Indeed, the yield of peaches was so abundant that much of the crop was wasted owing to the inability of the canners to make use of it. The season, however, has been a prosperous one for the fruit growers, owing to the heavy demands of western Canada, where Ontario fruit is more favourably looked upon than formerly, and is now given a preference over fruit imported from the United States. This has been brought about within the past few years by the use of improved methods of packing, by shipping selected fruit and by a system of rapid transit in refrigerator cars. To insure a continuance of the western market for Ontario fruit, the Fruit Growers' Association of the Niagara district have a resident agent in Winnipeg, who attends to all carload shipments and

sees that when a district requires supplies of fruit the orders are promptly filled. The plan which has been put into operation by the fruit growers of the Niagara Peninsula might be adopted with advantage by the other fruit-producing districts of the province.

The dairy industry has always taken a very important place among the various branches of our agriculture, and whilst the money results from the various products have probably this year, as a whole, been profitable, yet we feel there is some cause for concern lest the industry should suffer a serious setback for reasons which have only recently been brought to light. We refer particularly to the large decrease in the number of milch cows in the province between the months of July, 1912 and 1913; namely, 12,138. We have good reason to fear also that during the latter months of 1913 this decrease has been considerably augmented. The slaughter of these animals and the indiscriminate export of them to the United States has brought about this deplorable condition of affairs. It will be easily seen that any continuance of such a course cannot but work to the detriment of the dairy industry of the province, and thoughtful agriculturists should pause and consider whether temporary high prices for beef secure in the end the best financial results. We are inclined to think not, but that, on the contrary, the best results are obtained through the cheese factories and creameries, coupled with the production of pork, which is the natural complement of this industry. We think it well to quote here the report which we have received from a central point of old Ontario, which only a few years ago was regarded as in the front rank as a cheese-producing district:—

"During the past year farming has undergone a great change from the previous methods, and cheese making and its allied business, hog raising, are being rapidly discontinued. The enormous demand for milk from the cities and for condensed milk has caused the

value of milk to rise to such figures as to render cheese making and hog raising unprofitable. The farmers are producing milk and milk only. They sell their calves as soon as possible, and the quantity of cheese made is daily growing less and promises to disappear altogether."

The condition of the live stock industry of Ontario is even more unsatisfactory than that of dairying. The province has heretofore been regarded as the home and nursery of live stock for Canada, owing to its climate, soil, water, nutritive grasses, etc. If we are to maintain this position, the methods which have prevailed during the past few months must promptly be changed, as not only the live stock industry of Ontario, but the whole of Canada has suffered seriously by the wholesale selling of cattle, particularly for export to the markets of the United States. It is estimated that from Ontario alone upwards of 100,000 cattle have been shipped to the United States since that country removed the duty in October last on cattle brought from Canada. We believe, however, that our farmers are now beginning to realize the error made in disposing of their holdings of cattle at the first advance in prices, instead of retaining them for breeding purposes. It will, however, take a considerable time to replenish the depleted stocks, and fancy prices will undoubtedly have to be paid for some time in the future. It is probably a question, too, for the Provincial Government to consider whether by the introduction of legislation prohibiting the slaughter of female calves and heifers under a certain age, a better condition of affairs as regards cattle cannot be more speedily brought about. Apart from cattle and horses, the other branches of the live stock industry, such as sheep, lambs and hogs, notwithstanding some decrease in numbers, are in a satisfactory condition as far as the farmer is concerned, prices having been well maintained throughout the year. As to horses, we cannot speak so hopefully, although the raising of them

continues to play an important part in the farmer's business. A careless system of breeding appears to be creeping into some districts, and dealers apparently are now satisfied with animals inferior in breed to what was regarded as a standard a few years ago. Doubtless this situation has been created by the drop in the price of the ordinary work horse, consequent upon his being superseded very largely by the modern traction engine. One encouraging feature of the horse trade, however, is that good prices can yet be obtained for the better class of stock.

The latest returns furnished by the Department of Agriculture for the Province of Ontario indicate the holdings of live stock to be as follows:—

	1st July, 1912	1st July, 1913
Horses.....	742,139	751,726
Cattle.....	2,624,780	2,628,845
Sheep and lambs.....	1,021,848	996,155
Swine.....	1,702,652	1,618,734
Turkeys.....	660,843	699,861
Geese.....	362,674	539,173
Ducks.....	415,251	497,734
Other fowls.....	11,586,215	11,924,615
Wool clip.....	3,669,419 lbs.	3,647,245 lbs.

While manufacturing interests and wholesale and retail merchants in large and small centres do not report as active or as profitable a business as in the year 1912, the results show that at least average profits have been realized. The outlook towards the end of the year for a continuance of satisfactory business conditions during the year 1914 is not as encouraging as we should like. We shall not be surprised if many lines of trade and manufacture show a reduced turnover when compared with that of 1913.

The city of Toronto and other leading cities and towns of the province have made satisfactory progress and the figures of our clearing houses indicate that an active trade has prevailed during the greater portion of the year.

THE CANADIAN BANK OF COMMERCE

xxiii

MANITOBA, SASKATCHEWAN AND ALBERTA

Taking the three prairie provinces together, the four principal grain crops may be said to have given a yield this year which is satisfactory in quantity—slightly in excess of last year—and has never before been equalled in quality. In nearly all Alberta, and in some portions of Saskatchewan and Manitoba, the yield per acre was the best in several years, while over the whole territory the grade has been uniformly excellent. Our estimate of the total crop is as follows:—

	Total Yield	Average Grade	Average Price	Net Value to Farmers
Wheat.....	189,649,000	1½	62	\$106,732,300
Oats.....	229,546,000	2½	23	49,806,500
Barley.....	51,161,000	3½	28	13,205,000
Flax.....	12,563,000	1	90	10,440,000
	<u>482,919,000</u>			<u>\$180,182,800</u>

The amount of grain required for seeding purposes has been deducted before computing the net value. Harvesting was finished at an unusually early date, with the result that the proportion of the crop which was marketed by the close of navigation was unprecedentedly large. The number of bushels of grain inspected at Winnipeg from September 1st to November 30th was 145,348,125, as compared with 92,308,400 in the preceding year.

Grain prices have been lower than last year, with the result that the gross returns to the farmers for their high-grade grain will not be appreciably greater than those of the low-grade crop of 1912, but this year's crop was harvested under much more favourable weather conditions and at a lower expense for labour, so that the net returns will be better. Farmers engaged in mixed farming have done well. The better class of grain farmers have also improved their positions, while of the

remainder, some have only held their own and the poorest have gone behind. In a new agricultural country being settled with such rapidity, it is inevitable that a considerable percentage of the men taking up land should be inexperienced and incompetent farmers, and the process of eliminating the unfit has been greatly accelerated by the conditions of the past two or three years.

Weather conditions in the spring prevented farmers from doing the desired amount of spring ploughing, and many adopted the expedient of sowing on stubble instead of being content to summer fallow—19 per cent. of the acreage under crop having been seeded on stubble. The yield from such seeding was extremely disappointing, and the sharp lesson learned is certain to be of lasting benefit in inducing better methods of tillage. Favourable weather this fall over most of the country has permitted the farmers to do much more fall ploughing than usual; a considerably increased area was under summer fallow in the past season; and with 5 to 10 per cent. of new breaking the area under crop in 1914 will show a large increase, with conditions as to the preparation of the soil the best in years.

The high prices for grain which ruled prior to 1912 now appear to have been detrimental to the best development of agriculture in the West, by reason of the fact that the profitableness of grain growing encouraged many farmers to assume heavy liabilities in acquiring additional land and over-buying implements, while at the same time it removed any incentive to go into mixed farming. Conversely, the low prices of the past two seasons are clearly operating to the ultimate great advantage of the country as a whole. From nearly every district in all three provinces comes the report that many farmers are going in for live stock and dairying as fast as their means will permit. The capital required in the slow process of cattle raising limits the ability of farmers to take up this industry; nevertheless, our reports indicate that the cattle holdings of farmers have

increased during the year by about 10 per cent. The growth of the sheep industry has been highly satisfactory, while the increase in hog raising has been remarkable. The development in these two branches of live stock is best indicated by the following figures of the numbers of animals shipped by the Canadian Pacific Railway for the twelve months to September 30th:—

	1912	1913	Increase
Hogs.....	152,621	510,287	234%
Sheep.....	123,772	335,618	171%

The greatest development in live stock raising is in Alberta, that portion of the province north of the main line of the Canadian Pacific Railway being almost altogether given over to mixed farming. Throughout the remainder of the three provinces the movement has received an impetus sufficiently strong to remove any danger of exclusive grain farming being continued to the point of soil exhaustion, as was the case in the north-western States before mixed farming commenced to develop there.

The stringent money conditions which have prevailed in Canada, as well as in other countries, effectively checked the speculation in real estate, and it is hoped that it will be a long time before we are again troubled with a condition in which outside properties are sold at inflated values. The collapse in real estate speculation has served to confirm the views we expressed a year ago. Residential property of a good class is unaffected, and central business properties in the larger cities have been shown to be strongly held by bona fide investors, and no marked shrinkage in values is apparent. In Winnipeg, for example, the bargain hunter has had no opportunity to acquire a foot of property in the best business blocks in Main Street or Portage Avenue. The

losses on inflated outside properties—which will doubtless be severe before the readjustment of values is completed—will fall almost wholly on professional real estate operators and innumerable small speculators. The prosperity of the purely commercial classes, apart from the dealers in luxuries, will be indirectly affected only in a moderate degree; while, as to the banks and mortgage lenders, the collapse in speculative property values has been long looked for by them, and is welcomed as remedying a situation which was doing the country great harm. The falling off, however, in the flow, from abroad, of money for investment in mortgage loans—due more to money stringency abroad than to conditions here—has been a seriously adverse factor, and has prevented the undertaking of many building operations fully warranted by the legitimate development of the country. Doubtless an improvement in European money conditions will before long have the effect of remedying this condition, when building operations must be largely increased.

Spruce lumber manufacturing, as well as the retail lumber business, has naturally suffered from the curtailment of building operations, sales since midsummer having fallen to very low figures. Since the crop was harvested, however, inquiries for lumber have become more numerous; a smaller cut of logs is planned for the ensuing winter; and as the removal of the United States duty on lumber will lessen the pressure of competition from the mills of British Columbia and northwestern Ontario, there appears to be good reason to hope for a distinct improvement of conditions next spring in the northern lumber industry. The cut of 1911 was 239,574,000 feet and that of 1912, 244,268,000 feet. The figures of 1913, when available, will probably show some reduction, while in 1914, as already indicated, there will be a considerable curtailment of logging operations owing to the larger stocks of lumber being carried over by the mills.

The trade in other building materials has also, of course, shown a marked decrease, while the same is true of sales of farm implements. On the other hand, wholesale and retail trade in clothing, boots and shoes, foodstuffs and all articles other than luxuries, shows practically no diminution, and the distributing trade in staple commodities has had another prosperous year. This is shown by the following table comparing sales and collections for the year ended October 31st, 1913, with the preceding twelve months, which has been prepared from information obtained from important wholesale houses in the principal cities of the Central West:—

	Sales	Collections
Dry Goods.....	- 4 per cent	+ 8 per cent.
Clothing.....	+ 1 "	+17 "
Boots and Shoes.....	- 1 "	+10 "
Groceries.....	+ 1 "	+ 5 "
Fruits.....	+10 "	+ 6 "
Hardware.....	- 1 "	+13 "

The freer circulation of money arising in the past from the profits of real estate speculation led to the establishment of an excessive number of retail stores in the cities, and many of the recently established ones will probably be eliminated after the turn of the year; but reports from merchants with an established trade indicate that the volume of their business is being well maintained.

The implement companies admit that in the period of high grain prices they dispensed credit to the farmers too liberally, with the result that they have been carrying an unduly large amount of past-due farmers' paper. Consequently, at the commencement of 1913 they adopted an extremely conservative selling policy. Their conservatism was supported by the indisposition of the farmers to buy more than absolutely necessary, and in the case of heavy and expensive machinery, such as threshers and tractors, there has been a reduction in sales of at least 65 per cent., while sales of all other implements were reduced by about

33½ per cent. On the other hand, against a total farmers' implement indebtedness at the end of 1912 estimated at \$60,000,000,—a considerable portion of which had of course, not then matured—the collections of the current year will fall not far short of \$20,000,000, if they do not appreciably exceed these figures. While the aggregate amount now past due is still much too large, a material improvement has been effected, and with a continuance of the present policy for another year the position should be largely righted. The larger mortgage lending institutions practically all report that interest payments in arrears are appreciably less than in the previous year.

Railway construction work in the three provinces is reflected by 1,738 miles of new track laid in 1913, compared with 1,236 miles in 1912. The new work planned for 1914, most of which has already been financed, will probably involve much less new grading, but not less than 1,315 miles of new track should be laid on grading now a'out completed. The settlement of new land will necessitate a large amount of new branch lines and more double tracking in the next few years, and the decline in railroad building will, therefore, be gradual, and will not involve a violent readjustment of the labour problem.

The coal mining industry of Alberta—second only in importance to agriculture—is making very satisfactory progress. Most of the principal mines have had a prosperous year, and a considerable amount of capital has gone into new development and the opening of new mines. The output for 1912 was about 3,500,000 tons, the figures for 1913 are not yet obtainable, but are certain to show a considerable increase over those of 1912.

The criticism of our municipal securities which was engendered a year ago by the great volume of such securities offered, and which, combined with a world-wide money stringency, left us suddenly and for several months with

practically no market for the issues of the less important municipalities and a badly narrowed market for issues of even the best of our larger municipalities, has produced results of great and lasting benefit as regards the financial policy of western municipalities. Heretofore, our municipal securities have sold so readily that municipalities had no difficulty in borrowing from banks in anticipation of a sale of debentures later in the year; but the experience of this year has resulted in a declared change of policy on the part of the banks, so that hereafter municipalities will have first to arrange for a firm sale of their debentures before undertaking capital expenditures. This is certain to obviate a recurrence of the financial difficulties in which so many of our municipalities were involved during the past year. While the capital expenditures of western municipalities have not, as a rule, been carried to dangerous lengths, the mistakes made have been sufficiently numerous and costly to attract attention and prejudice investors against the debentures of the smaller and newer municipalities. As a consequence of this situation, a proposal first put forward by ourselves that a Municipal Commission or Local Works Board should be appointed in each province, to pass upon the capital expenditures of municipalities, has now been adopted by the Province of Saskatchewan, where a Bill has been introduced providing for "the appointment of a Board of Local Loan Commissioners" to consist of three members with a ten-year tenure of office. We think that the Government may be relied upon to select the best men available for this Board, and on this assumption all financial authorities are agreed that the effect of this legislation will be to strengthen the confidence of investors in the soundness of the securities of Saskatchewan municipalities.

During the year the Royal Commission on Agricultural Credit appointed by the Saskatchewan Government completed its labours, and its report shows every evidence

of a painstaking and thorough inquiry. While we cannot agree with some of the deductions made by the Commission from the facts that they have gathered, the report will doubtless ultimately be of benefit in the consideration of the question of co-operative organization of the farming community. A successful system of co-operative agricultural credit cannot, however, in our opinion, be created merely by legislation; for an agricultural credit bank would be obviously premature in a country where for every one dollar on deposit by farmers they require to borrow five. The Saskatchewan Government is entitled to much praise for the manner in which the question has thus far been handled, but we believe that the attainment of the object in view would be greatly furthered if attention is concentrated for the present on the adequate organization of means for disseminating the immensely valuable knowledge now available only in our agricultural colleges and experimental farms. For instance, this might take the form of a staff of permanent travelling lecturers to demonstrate to the farmers the most successful methods of modern agriculture. We think the Government, by taking some such course, would be rendering a great service not only to their own province, but, by example, to the whole of Canada. To realize what may be done in this way, it is only necessary to examine the record of the remarkable development of intensive agriculture which has been brought about by such methods in the near-by States of North Dakota and Minnesota during the past few years. At present most of our western farmers are out of touch with the centres of information, and the average farmer is disinclined to adopt new methods the value of which he has not seen practically demonstrated. Nothing would conduce more to lower interest rates than an increased prosperity of the agricultural community, and the best friends of the co-operative movement will be those who press to have whatever financial aid it is in the power of

the Government to give, applied first to bring about a widespread adoption of the most approved methods of agriculture.

The general rate for small farmers' loans from banks in well-settled districts, except during the recent period of dear money, was 8 per cent., and the fairness of this rate is not open to question when compared with 6 per cent. accorded to commercial accounts in the larger centres. Nor can the rate of 8 per cent. for the best class of farm mortgage loans, which prevails under normal money conditions, be regarded as exorbitant, having consideration for the undoubtedly greater risks attending loans in a new and sparsely settled country. The records of the land mortgage companies will show that not so long ago farmers in Ontario paid 10 to 12 per cent. for mortgage money, on the instalment system then in vogue, and that in recent years, and for a considerable period, the rate fell as low as $5\frac{1}{2}$ per cent. There is no reason to doubt that, as the settlement of the western country proceeds, the cost of mortgage money will tend downwards, and that the results which it is now hoped to achieve in a leap by legislative action would be largely brought about by natural laws in the natural course. What the western farmer most needs at this juncture, in our opinion, is not cheap credit nor more credit. The farmer who is really deserving of credit can afford to pay the market value of money; while, as to the others, credit has hitherto been too cheap whatever the price.

BRITISH COLUMBIA AND YUKON

During the past year British Columbia has, naturally, suffered from the effects of the prevalent financial stringency, both because of the difficulty in financing new enterprises and the impossibility of enlargement in business already established. Of course, real estate felt this most

keenly, although the stoppage of speculation will be the reverse of detrimental to the province. Municipalities have experienced difficulty in financing improvements, which were in many cases commenced without previous arrangements for the sale of the relative bonds; this applies to the smaller towns and districts as well as to some of the larger corporations. The consequent sudden stoppage of work has had the effect of throwing many out of employment and of reducing the general volume of business in the respective communities. The municipalities have, we think, received such a lesson that a tendency to extravagant expenditure will not be likely to reappear for many years, and more care will be taken to provide in advance for their financial requirements. In the cities the result has been a reduction in the floating population, followed by a lowering of the rentals of residential and business properties. Throughout the province centrally located real estate has been held at fairly steady prices; it is in the outlying districts and in the subdivisions, which have been created far in advance of the requirements of the community, that the serious drop has taken place. Farm and fruit lands are still held at figures somewhat too high; this naturally retards progress but settlers, mostly of the better class, continue to enter in a fairly steady stream.

In the main centres at the coast wholesale merchants complain of collections, but in the interior they report that they are fairly satisfactory; and it is to be noted that in many instances retail merchants are adopting the cash system.

Agriculture is showing steady progress, and in the main has been prosperous. Dairying and poultry raising have received more attention; for both of these industries excellent opportunities of extension present themselves. While the climatic and other conditions throughout the province vary considerably, it may be said that the crops of hay, grain and roots have been satisfactory,

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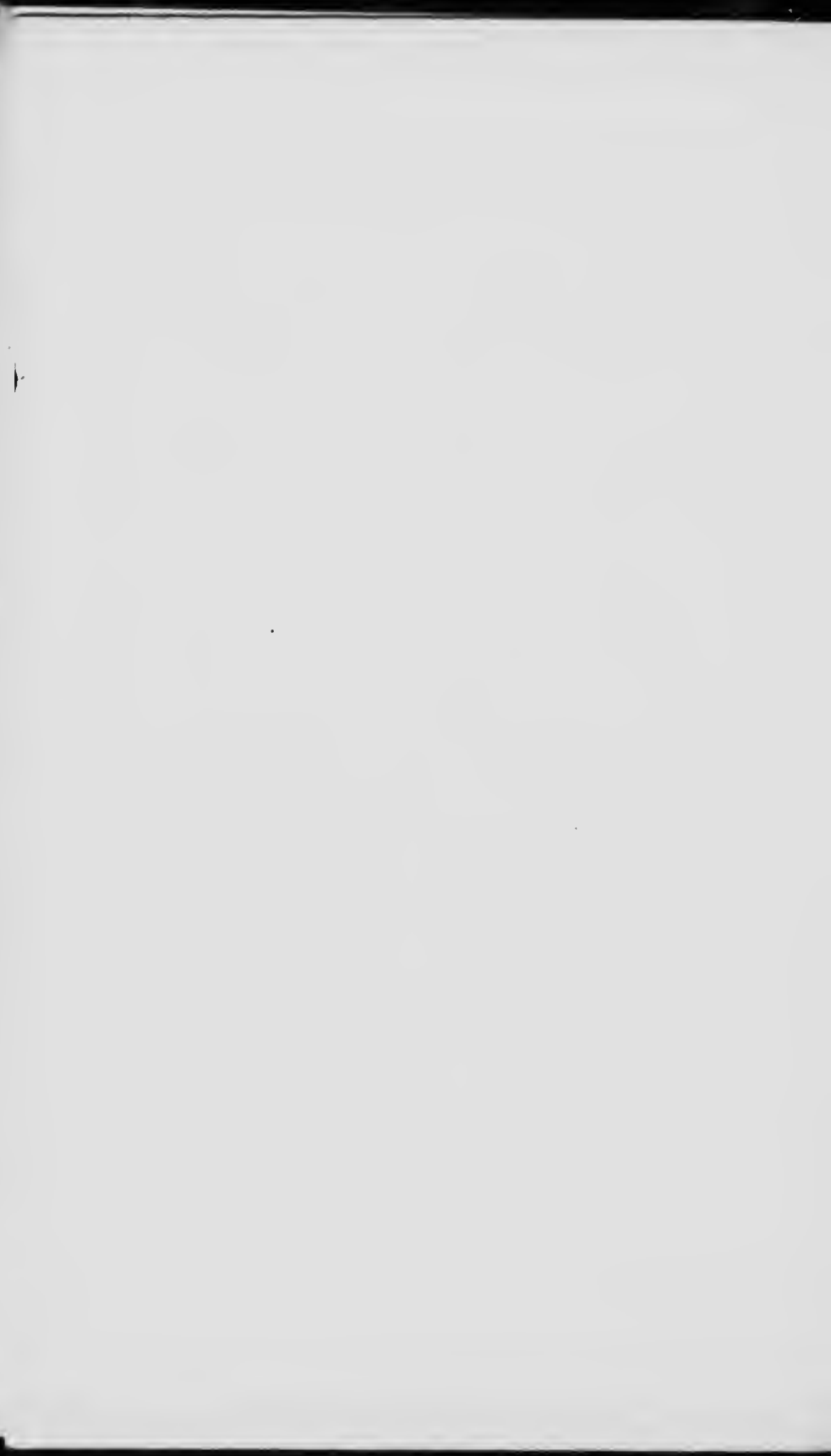
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both in quantity and in price. In hops, while the area is small, the results have been gratifying. In fruit a better year has been experienced; prices were higher and the selling organizations brought quicker and better returns to the grower. In one or two of the sections devoted to this industry, damage from fire blight has occurred. From the Okanagan Valley 1,583 cars valued at \$1,200,000, were shipped by rail, in addition to shipments by express, statistics of which are not procurable, although such shipments are said to exceed those of last year. Cattle wintered well, and while there has been a reduction in the number on the ranges, prices have been excellent. Last year $6\frac{1}{4}$ cents per lb. live weight was paid; this was a record figure, but this year the price advanced to $7\frac{1}{2}$ cents; and while it has since receded, owing to the results of the lowering of the United States' tariff proving less beneficial than was expected, the demand continues and ranchers are, generally speaking, prosperous. The demand for horses has decreased, and prices have been lower. Farming is now extending well into the interior, in consequence of the advent of the railways and the construction of excellent roads in every direction by the Provincial Government.

In the fisheries on the Fraser River this was the quadrennial year, when the large run is expected, and the catch is estimated at 732,059 cases. The price paid the fisherman was abnormally high—15 to 25 cents per fish, as compared with 10 to 15 cents in 1909, the corresponding big year in the cycle. Fishing in northern waters has been unprofitable, a condition ascribable partly to the low temperature of the water. As most of our canners have establishments in each district, the result has been that the losses in the north have been considerably more than offset by the gains elsewhere. While market prices for cohoes, humpbacks and the cheaper grades of fish have ruled low, those for the better qualities have been satisfactory, and practically the entire pack has been sold. The value of

the British Columbia fisheries for the year is stated to be \$8,540,000, all but about \$1,000,000 of this amount being the product of the salmon fisheries. The following are the figures of the catch of salmon for the last three years in which there was a heavy run on the Fraser River:—

	Province	Fraser River
1905.....	1,167,460 cases	877,136 cases
1909.....	919,951 "	567,203 "
1913.....	1,353,901 "	732,059 "

It is believed that in the herring fisheries there are enormous possibilities which are likely to be developed in the near future. One large company has the control of the whaling industry, the results of which for 1913 have been unsatisfactory, the number caught having dropped to 705 whales, as compared with 1109 last year. The price of the oil product, however, has improved by 20 per cent.

At the beginning of the year the outlook for the lumber business was good, but mainly through the financial depression a change took place in May and quietness has since prevailed in this market; both demand and prices have fallen to such an extent that it has been necessary for some of the mills to shut down and for others to curtail production. Much benefit to this industry is still confidently expected from the opening of the Panama Canal and a marked change in conditions is looked for shortly after the commencement of the new year. Stocks in the prairie provinces are now at possibly the lowest point which they have touched for many seasons, and as half of our product goes to that section of the country, it is evident that a demand must arise shortly. The following are the figures of lumber production in the province during the past three years:—

1911.....	1,189,000,000	feet B.M.
1912.....	1,330,000,000	" "
1913.....	1,120,000,000	" "

The figures of 1913 for the months of November and December are estimated. From the Kootenay district considerable quantities of lath and shingles have been shipped to Chicago; on the other hand, the importation of American lumber has continued. Upwards of 190,000,000 feet, equivalent to about 17 per cent. of the output of British Columbia, were sold during the past year in the prairie provinces.

At the coal mines on Vancouver Island the strike, which was reported a year ago, has continued more or less throughout the twelve months and has extended to the district in the southern portion of the island. Because of this the output of the whole province, which in 1912 amounted to 3,025,709 long tons, has fallen this year to 2,696,662 tons. A reduction in the output of the Coast district of 502,126 tons was offset by an increase in that of the Kootenay district amounting to 173,079 tons, the net reduction thus being 329,047 tons. During August relations between the strikers and the strike-breakers became so acute that serious riots occurred on Vancouver Island, requiring a strong body of troops for their suppression. In the Crow's Nest district—the other important coal-producing section—there have been no troubles to note, and the demand for coal and coke has been active, following the change in the United States tariff.

The figures of the production of metalliferous mines for 1913 are not yet available; but in 1912 the value reached \$30,076,635, an increase of \$8,700,000 over the figures of 1911. It is not expected that this year will show any great variation. Of copper the Boundary district produces the greater part; the quantity for the year, October and November figures being estimated, amounted to 30,000,500 lbs., valued at \$4,642,601. The average price this year was 15.277 cents per lb., as compared with 16.34 in 1912, when the production was 33,000,372 lbs. At the present

quotation, copper continues to return a good profit to the mine owners. In the Boundary district mines hitherto regarded as prospects only are now being opened and a more hopeful feeling prevails.

The following are the combined figures of the building permits of the cities of Victoria and Vancouver:—

1905.....	\$ 3,207,250
1910.....	15,523,410
1911.....	21,912,957
1912.....	27,596,477
1913.....	14,461,000

The figures of 1913 disclose an enormous falling off, ascribable mainly to the tightness in money and to the general depression in real estate.

Railway construction still progresses actively, and the two new transcontinental lines and that from the Boundary district, connecting the main line of the Canadian Pacific Railway with the coast, should be in full operation within twelve to fifteen months; this will be followed by the opening up of large areas of land suitable for agriculture and fruit-raising, and by the development of mining properties which it has hitherto been impossible to work. It is satisfactory to note that during the year shipping, both inwards and outwards, has increased by 25 per cent

In the Yukon the situation has changed but little in so far as the production of gold is concerned. The figures for 1913 are about \$5,110,000, as compared with \$5,000,000 in 1912, and the country is now, even more than it was a year ago, in the hands of the large companies. A discovery of placer ground which it is believed will prove to be important has been made in the Shushanna district on the Alaska side of the line, about 180 miles from Dawson and about 300 miles from White Horse; the ground is said to extend to the Canadian side, but this has not yet

been confirmed, and in the meantime judgment as to the value of the find, so far as Canada is concerned, must be suspended. No progress has been made in quartz gold mining, but near White Horse the copper mines have been worked steadily with hopeful prospects for the future. The ore shipped this year has amounted to 47,000 tons, as compared with 20,000 tons in 1912.

UNITED STATES

I.

Since our last annual report the Congress of the United States has revised the customs tariff and passed a new Act, which became effective on the 3rd October last. While it is expected that the reduced customs rates will enlarge imports, the total in October was about \$15,000,000 less than that of the same month in 1912; but the effects of the Act, in this and other directions, will probably not be evident for some time yet.

In general, business would seem to be slowing down, as evidenced chiefly by that barometer of trade the steel industry, in which it is reported that production is being curtailed and men laid off. Manufacturers in other lines are said to be reducing their output and working force, and railway earnings are falling off. Merchandise sales are still in large volume, but the wants of buyers are principally for immediate delivery.

Money has been reasonably easy during the year. In the later months the situation was helped by the action of the Secretary of the Treasury in placing at the disposal of banks throughout the country nearly \$35,000,000 for crop-moving purposes, with the understanding that these funds would be gradually repaid to the Treasury, beginning in January, 1914. In considering the future of the money market, however, it is to be borne in mind that a very large

amount of bond and note obligations of railroad and industrial corporations must be paid or renewed within the next three years. The currency measure which has recently become law will have a very important and far-reaching effect upon the present banking and monetary systems of this country. Business on the New York Stock Exchange has been much restricted, the estimated volume of transactions for the eleven months to 30th November being much below that of 1912.

Imports and exports for the eleven months ended 30th November last, and for the corresponding periods in 1912 and 1911, are as follows:—

	1913	1912	1911
Imports	\$1,608,829,000	\$1,664,270,000	\$1,391,684,000
Exports	2,250,929,000	2,148,617,000	1,867,619,000
Excess of Exports	\$642,100,000	\$484,347,000	\$475,935,000

The following estimates of the leading crops of 1913 recently appeared, and are compared with those of 1912:—

	1913 Bushels	1912 Bushels
Corn	2,446,988,000	3,124,746,000
Wheat	763,380,000	730,267,000
Oats	1,121,768,000	1,418,337,000
Barley	178,189,000	223,824,000
Rye	41,381,000	35,664,000
Cotton	13,677,000 Bales	13,820,000

For the eleven months to 30th November failures numbered 12,881, with liabilities of \$252,300,000, as compared with 12,502 failures and liabilities of \$180,353,000 in 1912.

II.

In Washington, Oregon and California, the three Pacific coast States in the chief cities of which we have branches, prosperity has continued.

In Washington business has been steadier than for some years and speculation has practically disappeared. Money has been fairly easy in the face of different conditions prevailing elsewhere. In this State agriculture has been prosperous, the products of the farm being valued at about \$70,000,000, \$4,000,000 less than last year; the yield of hops has again fallen but with an offsetting increase in prices. Fruit is estimated to produce \$15,000,000 to \$20,000,000 this year, as compared with \$11,000,000 in 1912; the quantity has been less but prices higher, and fruit growers have more than recouped themselves for their losses in 1912.

In lumber the demand reported last year was not maintained, and prices have been in a chaotic state; but values of logs have ruled high, production keeping within demand. The market for standing timber, as heretofore, has been strong.

The outlook of the fishing industry at the beginning of the year was not bright, owing to the heavy carry-over from 1912, but all the cheaper grades have since been disposed of, though at prices unprofitable to the canners, and the announcement of the large operators that they would hold over at least one-third of the sockeye pack till 1914 had a steadying effect upon the market and created a return of confidence. The figures of the pack for Alaska and Puget Sound are given below—

	1912 Cases	1913 Cases
Alaska	4,094,937	3,815,000
Puget Sound.....	378,000	2,390,000
	4,472,937	6,005,000
Value.....	\$20,400,000	\$24,900,000

It should be noted that the reduction in the Alaska catch has been almost entirely in the cheaper grades, the prices of which have not dropped below those of last year.

The better grades have sold at approximately 20 per cent. under the prices of 1912. The production of mild cured salmon and the trade in frozen salmon are both increasing.

From Oregon the exports of grain this autumn have fallen below expectations, owing to high freight rates, but the wheat crop of the three states, Washington, Oregon and Idaho is stated to be 63,000,000 bushels, or about the same as in 1912, prices ruling strong. Of barley and oats 35,500,000 bushels have been grown in the same territory, an increase of 1,500,000 bushels over the quantity produced in 1912. Of hops the yield in Oregon this year was 135,000 bales, a gain of 25,000 bales over 1912, with much higher prices. In the lumber and fruit industries conditions in this State resemble those in Washington.

In California a dry year in 1912 was followed by a similar season in 1913, which in some measure checked progress, but the arrival of new settlers and the large additional acreage brought under cultivation through irrigation, have contributed to produce the largest crops in the history of the State, and to stimulate other industries. Cattlemen and graziers have not done so well as usual, but fruit growing still prospers, and both growers and canners have done well. The total pack of canned fruit is estimated at about 4,300,000 cases, with about 2,600,000 cases of canned vegetables, and the markets have been favourable. Grain again shows a falling off, the production being 543,000 tons in 1913, as compared with 755,000 tons in 1912. In petroleum the estimated production of 100,000,000 barrels, valued at \$45,000,000, exhibits an increase of 25 per cent. over that of last year.

In the Hawaiian Islands the predictions in our last report of a lower output of sugar have been fulfilled, the estimated figures of this year, namely 525,000 short tons, representing a reduction of 75,000 tons; prices, too, have

been lower—\$3.20 per 100 lbs., as compared with \$4.06 last year. Many of the sugar companies in these islands have suspended dividends and otherwise prepared themselves for the removal, two and a half years hence, of the duty on raw sugar. It is believed that well-managed properties will be able to continue under the altered conditions, though earning smaller profits.

The California lumber market has been weak, but the demand from Australasia has been excellent, prices ruling lower in sympathy with local conditions.

It is gratifying to note that San Francisco has, since the fire of 1906, been re-built on a much larger and better scale, about \$11,000,000 having been expended during the past two years upon the improvement of the waterfront alone.

GREAT BRITAIN

Many adverse factors have affected the political and financial world during the past year, a state of war in the near East, revolution in China, rebellion in Mexico, unrest and strikes at home, and strained relations between the great groups of the Powers, the result of all which has been to leave many countries in a condition of extreme financial exhaustion, with the usual diminution of their purchasing power. Despite the effect which these unsettling factors have had upon the financial condition of the country, the trade of the United Kingdom has continued to increase, and only recently has any slowing down been noticeable. All trades, with few exceptions, have been working full time, employment appears to have been general, and results have in many instances been of a satisfactory character. The restrictions now being placed on fresh borrowings and the troubles prevailing in so many countries which trade largely with Great Britain, are, however, having their natural effect, and the falling off

above referred to would have been more noticeable had it not been for the manner in which the prices of commodities have been sustained. Thus reports from trade centres are apparently conflicting, but it is evident that the country is facing a period of reaction unless conditions abroad change materially.

The following figures illustrate the expansion which has taken place in the value of the trade of the country during the past four years:—

11 months ending	Imports	Exports Including Re-exports
November 1910.....	£609,359,309	£487,065,186
" 1911.....	615,674,630	509,751,531
" 1912.....	670,883,764	548,570,962
" 1913.....	697,931,963	582,061,691

The above figures do not include imports and exports of gold and silver bullion. The greater part of these increases has been due to the advance in the prices of raw materials. The index number as published by the "Economist" indicates that a reaction has set in, but there appears to be no immediate prospect of any important reduction until the chief raw materials are produced in more abundance. The following table of index numbers should prove of great interest:—

Average for 1901-5.....	2200
" 1911.....	2550
" 1912.....	2713
1st quarter of 1913.....	2722
2nd " 1913.....	2697
3rd " 1913.....	2699
October 1913.....	2684

The continuous advance in the value of the trade of the country is reflected in the Joint Stock Clearing Bank returns of this city, and while the figures do not represent the total amount of banking capital employed in caring for the financial interests of the country, yet they are some

indication of the growth of business and are sufficiently interesting to warrant examination. The lack of uniformity in the date of compiling the returns and the absence of reports from many important Country, Scotch and Irish Banks should, however, be borne in mind:—

		Deposits, etc.	Acceptances, etc.
October	1905.....	£374,647,984	£21,631,309
"	1910.....	477,788,937	28,871,388
"	1911.....	504,483,204	29,630,017
"	1912.....	525,750,595	38,179,184
"	1913.....	542,985,819	37,737,780

		Cash in hand, etc.	Cash at call, etc.
October	1905.....	£58,296,834	£51,462,659
"	1910.....	72,724,714	60,104,560
"	1911.....	77,311,294	64,653,215
"	1912.....	80,292,339	70,650,871
"	1913.....	83,969,012	66,005,052

The Bankers Clearing House returns continue to reflect the increased volume of trade transacted during the year, as will be noted from the following:—

1910 (year).....	£14,658,863,000
1911 (year).....	14,613,877,000
1912 (year).....	15,961,773,000
1913 (11 months).....	15,225,973,000

The requirements of trade are not the sole cause of the excessive dearness of money during the past year, for in addition to constantly increasing demands from rapidly developing countries for further supplies of capital, the effects of war, revolution and rebellion must also be taken into consideration. Owing to the fact that London is, for all practical purposes, the only free gold market in the world, the burden of supplying all urgent demands is usually centred here. The year opened with a 5% Bank rate, and for the first time in many years the rate has not fallen below 4½%; it is now 5%, and the prospect of an advance to 6% has faced the market on many occasions

during the past two months. Short and call money have usually been obtainable on favourable terms, due to the necessity the banks have been under of keeping their reserves strong, yet there has been no lengthy period of ease and the market rate for discounts has closely approximated the Bank of England rate. Banks and discount houses must have profited accordingly, as may be noted from the following table of average rates:—

	Bank Rate	3 months Bill Rate	Market Rate for Short Money	Bankers' Deposit Rate
1910.....	£3 14 5	£3 3 7	£2 14 9	£2 4 4
1911.....	3 9 4	2 18 5	2 6 8	1 19 4
1912.....	3 15 5	3 12 7	2 19 11	2 5 11
1913 (6 mos. ending June)	4 15 9	4 6 10	3 19 1	3 5 10
1913 (5 mos. ending Nov.)	4 12 9	4 7 5	3 6 3	3 4 0

The high Bank rate, as expected, has had the effect of attracting a larger quantity of gold to this market, for in addition to the usual supplies from South Africa large shipments have arrived from such debtor nations as Brazil and the Argentine. A larger proportion than usual appears to have remained in this country, but owing to secret exports and the action of the Joint Stock Banks in strengthening their cash reserves, the published reserves, namely, the amount of bullion held by the Bank of England, have remained practically stationary. India has taken nearly £10,000,000 of the amount exported during the past ten months and Egypt over £7,000,000, but the most striking features have been the enormous increase in the amounts taken in the same period by Germany and France, over £9,000,000 and £5,000,000 respectively. The German Government early in the year announced their intention to strengthen their gold reserves in 1913, in order to add to their special war chest and build up the country's reserves against a period of complication in foreign politics. In pursuance of this policy, during the

past eleven months over £20,000,000 has been added to that country's stock of gold, which now stands at over £60,000,000. France also during the past year of strain in foreign affairs has felt the necessity for increasing its gold reserve, which accounts for the unusual demand from that quarter, a demand which has not yet ceased and which it is feared may become active again in the near future. The Indian demand continues but it is likely to be somewhat checked owing to the recent banking difficulties and the semi-failure of the monsoon. The ability of that Empire to take gold, however, still remains an increasingly important factor in our market. The recent movement of gold from New York to Canada excited attention here and was followed by a hardening of discount rates, as it was feared that the drain might be diverted to London, or at least that New York might call on this market to replenish its supply. The following figures show the total gold imports and exports for some years past:

	Imports	Exports
1908.....	£46,145,314	£49,969,099
1910.....	57,321,767	50,898,445
1911.....	48,693,753	40,100,540
1912.....	52,688,881	46,938,469
1913 (10 months).....	49,846,369	40,238,692

One of the most noteworthy features of the past year has been the enormous depreciation which has taken place in the prices of all securities. A year ago it was felt that this depreciation had gone as far as it could without precipitating a crisis. In April there was a slight return of confidence due to the prospects of a satisfactory settlement of the Balkan difficulties, but the hopes then created were doomed to disappointment, for in June the downward movement in all prices was renewed with unexampled severity and it has been a constant source of wonder that serious trouble did not follow. A partial recovery occurred during the summer months, to be followed, however, by a further drop to figures

which one can only hope are at their lowest, although the world-wide depreciation of national credit continues and nothing but a rigorous curtailment of expenditure coupled with a return of easy money can improve the present condition of affairs. All Canadian securities naturally have suffered in this general depreciation and their position is not strengthened by the knowledge that many large loans from the same source remain to be marketed. The following figures, taken from the Bankers' Magazine, evidence the fluctuations which have taken place in the quoted value of 387 representative securities:—

December 1909.....	£3,711,000,000
December 1911.....	3,611,000,000
December 1912.....	3,527,000,000
July 1913.....	3,386,000,000
September 1913.....	3,436,000,000
November 1913.....	3,364,000,000

Despite the tightness of money and the generally unfavourable conditions of the stock market the demand for fresh capital has remained unabated, and in the endeavour to attract investors, more and more favourable terms have had to be conceded. Many belated borrowers who had either to fund their short dated obligations or submit to onerous conditions to obtain a renewal, have, in their necessity, been compelled to grant terms which would not have been considered a year ago. The whole appearance of the market leads to the belief that this centre has over-loaned itself and that no recuperation is likely to occur until capital again accumulates in some volume. This may in a large measure be brought about by a curtailment of issues, and by the slackening of trade. Until this has been accomplished it would be well if all Governments, public bodies and others would as far as possible confine their requirements solely to those objects which are absolutely essential to the well-being of the communities over which they rule.

THE CANADIAN BANK OF COMMERCE

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The following statement, showing the destination of the capital subscribed in the United Kingdom during the periods mentioned, has been furnished by the "Statist":—

	11 months to Nov. 30, 1913	Year 1912	Year 1911
United Kingdom....	£43,126,872	£51,294,436	£32,244,037
India and Ceylon....	3,729,909	4,391,320	5,278,488
Canada.....	55,014,780	37,400,488	36,793,419
British Possessions...	28,152,300	22,615,561	18,860,487
Foreign Countries...	93,426,828	95,635,175	103,040,061
	<u>£223,450,689</u>	<u>£211,336,980</u>	<u>£196,216,492</u>

It will be observed that, despite the many adverse conditions during the past eleven months, as much capital has been raised as during the previous twelve months, and it will not be surprising if 1913 should prove to be a record year. Canada certainly has created a record in spite of the many unfounded rumours of financial difficulty in that country prevalent here for some months past, but this capital has been raised at greater cost than in previous years; and it is plain that borrowers must be willing either to grant more favourable terms or to curtail their requirements. So vast a creation of new securities during this year of alarms and semi-panics has not been accomplished without placing a severe strain upon this centre, and the burden has been assumed because the market recognized that absolute necessity compelled many to sell their securities. The public has been reluctant to invest, and this accounts for so large a proportion of the majority of issues being left on the underwriters' hands, and the depreciation which has so often followed has not encouraged them to support further loans. A noteworthy feature of the marketing of securities has been the short date borrowings on the part of many governments, railroads and others, not only enabling investors to secure a handsome interest yield but assuring them of a return of their capital intact in a few years time.

At the moment of writing the outlook for those with securities to sell is none too cheerful, for there appears every reason to anticipate a continuance of dear money so long as the foreign demand for gold remains unsatisfied, and an enormous amount of floating debt, both here and on the continent, requires to be funded. On the other hand, trade has been prosperous and large profits have been made, and with any reduction in the volume of business large sums may very soon be diverted to the security market to take advantage of the many opportunities now offering of securing sound investments on terms which were unheard of a year or two ago.

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